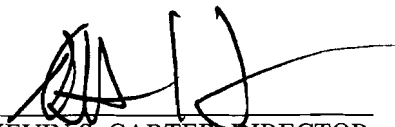


DECEMBER 22, 2008

THE DIRECTOR OF THE SCHOOL AND INSTITUTIONAL TRUST LANDS ADMINISTRATION TOOK FORMAL ACTION ON DECEMBER 22, 2008, IN THE TRUST LANDS ADMINISTRATION OFFICE, 675 EAST 500 SOUTH, SUITE 500, SALT LAKE CITY, UTAH 84102-2818, ON THE MINERAL, SURFACE, DEVELOPMENT, AND FEE WAIVER BUSINESS MATTERS AS INDICATED AND WHICH BECOME EFFECTIVE AT 6:00 P.M. ON DECEMBER 22, 2008.

THESE MINUTES INCLUDE MINERAL ACTIONS AS LISTED ON PAGES 1 TO 7; SURFACE ACTIONS AS LISTED ON PAGES 7 TO 28; DEVELOPMENT ACTIONS AS LISTED ON PAGES 28 TO 38; AND ACTIONS CONTAINING FEE WAIVERS AS LISTED ON PAGES 38 TO 39.

THESE MINUTES ARE DEEMED THE FINAL AGENCY ACTION CONCERNING THESE MATTERS AND ARE SUBJECT TO REVIEW AND/OR ADJUDICATION PURSUANT TO R850-8 OF THE AGENCY'S RULES. ANY APPEAL OF MATTERS CONTAINED WITHIN THESE MINUTES MUST BE IN WRITING, PURSUANT TO R850-8-1000, AND MUST BE RECEIVED BY THE OFFICE OF THE DIRECTOR BY 6:00 P.M. ON MONDAY, JANUARY 5, 2009. APPEALS NOT FILED BY THAT TIME WILL BE CONSIDERED UNACCEPTABLE AND THE MATTERS WILL BE UNAPPEALABLE.



KEVIN S. CARTER, DIRECTOR
SCHOOL AND INSTITUTIONAL
TRUST LANDS ADMINISTRATION

LESLIE M. WARNER, RECORDS OFFICER

ARCHIVES APPROVAL NO. 7990209

MINERAL ACTIONS

**REQUEST TO EXTEND TEMPORARY WAIVER OF ANNUAL MINIMUM ROYALTY PAYMENT -
BROKEN ARROW, INC. - ML 49569-OBA (SCH) SILICA SANDS**

Broken Arrow, Inc., P.O. Box 580, Tooele, UT 84074, has submitted a written request to extend the temporary waiver of annual minimum royalty payments required under the terms and conditions of Mineral Lease ML 49569-OBA for Silica Sands. The negotiated lease was first issued effective January 1, 2005, with a minimum annual royalty payment of \$25,000 due and payable not later than the last day of each lease year.

During lease year 2005, the Lessee opened up a mine on the leased property and began trying to market the leased substances. The mine is in a remote location in western Millard County. Although the leased substances tested suitable quality for industrial applications, transportation costs proved prohibitive in making the deposit commercial and the anticipated contract to sell the leased substances failed to materialize. Nevertheless, at the end of the first lease year, 2005, the Lessee made the required annual minimum payment. When a commercial market still failed to materialize at the end of the second lease year, the Lessee requested, and was granted, a two-year waiver of the annual minimum royalty payment requirement in order to allow additional time for a commercial venture to take shape. During the interim, the Lessee has been unsuccessful in finding a commercial market for the leased substances due to the remote location of the deposit and the high costs of commercially transporting the substances to market.

Because of the high expenses incurred in opening up the mine and developing the silica sands deposit, the Lessee is requesting an extension of the waiver of the annual minimum royalty requirement for the lease. The Lessee would continue to make the annual minimum rental payment of \$3,200 on the 320 acre lease. Trust Lands Administration presently has no other clients interested in developing or marketing this mineral resource deposit. The Minerals Group recommends that the temporary waiver of minimum royalty granted for ML 49569-OBA be extended for a period of one year, until December, 2009, on condition that the Lessee diligently continue to try and find a commercial market for the leased substances.

Upon recommendation of Mr. Blake, the Director approved the waiver of minimum royalty until 2009.

PENDING READJUSTMENT OF MINERAL LEASE ML 3092 (SCH)

Mineral Lease ML 3092, for the extraction of Perlite Rock from certain trust lands, was issued with an effective date of January 1, 1949, subject to the absolute right of the Lessor to readjust the terms and conditions of the lease at the end of each twenty-year period. The current lease period ends on December 31, 2008. Basin Perlite Company, 1400 Sixteenth Street, Suite 200, Denver, CO 80202, is currently the lessee of record and has been notified that the Trust Lands Administration will exercise Lessor's right of readjustment. Lease readjustment terms and conditions with an effective date of January 1, 2009, have been sent to the lessee by Certified U.S. Mail and are pending acceptance by the lessee.

This item is submitted by Mr. Blake for record-keeping purposes only.

METALLIFEROUS MINERAL LEASE READJUSTMENT AND EXTENSION – ML 48147 AND ML 48148 (SCH)

Metalliferous Minerals Leases ML 48147 and ML 48148 will reach the end of their ten (10) year primary term on December 31, 2008. Under Article II of the leases, it is expressly agreed that at the end of each period of ten (10) years following the effective date of the leases, the State of Utah, as Lessor, shall have the right to readjust the terms and conditions of the leases as may be determined to be in the best interest of the State of Utah as trustee of the mineral estate. Under Article VI, Fourth Paragraph, the Lessee may maintain the lease beyond the primary term by paying the Lessor, in addition to rentals and production royalties, an annual minimum royalty of three (3) times the annual rental provided the Lessee is engaged in diligent operations, exploration, or development which is reasonably calculated to advance development or production of the leased substance from the leased premises. The Kennecott Utah Copper Corporation, lessee of both leases, has satisfied the diligent development requirement of Article VI and, therefore, both leases qualify for readjustment and a ten (10) year lease extension.

LEASE READJUSTMENT & TERMS:

- The leases will be readjusted to conform to the terms and conditions provided for under Trust Lands Administration's most current Metalliferous Minerals Lease form, adopted for use April, 2008, and most recently revised August, 2008.
- The current Metalliferous Minerals Lease Form requires an annual rental payment of \$500 or \$1 per acre - whichever is greater. For leases that are extended beyond their initial primary term, the lease requires an annual advanced minimum royalty in the amount of three (3) times the annual rental. Readjustment of ML 48147 will require an annual rental of \$1818 and the annual advanced minimum royalty of \$5454 (3 X annual rental) for a total annual payment of \$7272. Readjustment of ML 48148 will require an annual rental of \$500 and the annual advanced minimum royalty of \$1500 (3 X annual rental) for a total annual payment of \$2000.
- The Lessee shall pay Lessor a production royalty on the basis of 8% of the Gross Value for fissionable metalliferous minerals, and 4% of the gross value for non-fissionable metalliferous minerals.
- The leases will continue for a second ten (10) year term as long as the diligent development requirement is satisfied or the Lessee has achieved commercial production of the leased substance from the leased premises. The second ten (10) year term will **expire on December 31, 2018.**

The Lessee has agreed to accept the readjusted terms of ML 48147 and ML 48148 and will execute the readjusted lease agreements upon approval of the Director of the School and Institutional Trust Lands Administration.

ML 48147

Kennecott Utah Copper Corporation
8315 West 3595 South
P.O. Box 6001
Magna, UT 84044-6001

T2S, R3W, SLB&M.

SEC. 3: LOTS 1(37.32), 2(37.37), S½NE¼, E½SE¼
SEC. 4: LOTS 1(37.49), 2(37.31), 3(37.49)
4(37.06), S½NW¼, NE¼SE¼
SEC. 5: LOTS 1(36.94), 2(36.81), S½NE¼
SEC. 10: NE¼NE¼, NE¼SE¼
SEC. 11: N½N½, N½S½
SEC. 12: E½NW¼, SW¼
SEC. 13: NW¼SW¼
SEC. 14: SE¼
SEC. 32: W½

Tooele/Salt Lake
1817.74 Acres

FUND: MH: 1497.74 Acres
SCH: 320.00 Acres

METALLIFEROUS MINERAL LEASE READJUSTMENT AND EXTENSION – ML 48147 AND ML 48148 (SCH) (CONTINUED)

<u>ML 48148</u>	<u>T3S, R3W, SLB&M.</u>	Tooele
Kennecott Utah Copper Corporation	SEC. 21: LOTS 9(40.00), 27(24.61)	64.41 Acres
8315 West 3595 South		
P.O. Box 6001		
Magna, UT 84044-6001		

FUND: RES

Upon recommendation of Mr. Stokes, the Director approved the readjustment and term extension of Metalliferous Minerals Leases ML 48147 and ML 48148.

TOTAL ASSIGNMENT – GEOTHERMAL LEASES

Upon recommendation of Ms. Garrison, the Director approved the assignment of the leases listed below to Cove Fort Geothermal, LLC, 730 Sandhill Road, Suite 250, Reno, NV 89521, by R. L. Wright, who reserves 1.5% gross proceeds overriding royalty. Effective June 1, 2004, the Trust Lands Administration assumes no responsibility in reviewing, collecting, or distributing overriding royalty.

OWNERSHIP BEFORE ASSIGNMENT:

RECORD TITLE:

R. L. WRIGHT – 100%

OWNERSHIP AFTER ASSIGNMENT:

RECORD TITLE:

COVE FORT GEOTHERMAL, LLC – 100%

....ML 48433 (SCH)....ML 48434 (SCH)....

TOTAL ASSIGNMENT – OIL, GAS, AND HYDROCARBON LEASE

Upon recommendation of Ms. Garrison, the Director approved the assignment of the lease listed below to Bill Barrett Corporation, 1099 18th Street, Suite 2300, Denver, CO 80202, by Turner Petroleum Land Services, Inc. Effective June 1, 2004, the Trust Lands Administration assumes no responsibility in reviewing, collecting, or distributing overriding royalty.

OWNERSHIP BEFORE ASSIGNMENT:

RECORD TITLE:

***TURNER PETROLEUM LAND SERVICES,
INC. – 100%***

OWNERSHIP AFTER ASSIGNMENT:

RECORD TITLE:

BILL BARRETT CORPORATION-100%

....ML 51215 (SCH)....

OPERATING RIGHTS ASSIGNMENTS – OIL, GAS, AND HYDROCARBON LEASES

Upon recommendation of Ms. Garrison, the Director approved the assignment of 41.875% interest in operating rights from surface to 100 feet below the stratigraphic equivalent of 2859 feet as drilled in State 18-1A Well in part of lands: Lots 1, 2, 3, 4, E $\frac{1}{2}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$ Sec. 19, T14S, R8E, SLB&M., 276.32 acres, in and to the lease listed below to Dudley & Associates, LLC, 1776 Lincoln Street, Suite 900, Denver, CO 80203, by Klabzuba Oil and Gas. No override, but subject to 12.5% overriding royalty previously reserved. Effective June 1, 2004, the Trust Lands Administration assumes no responsibility in reviewing, collecting, or distributing overriding royalty.

OWNERSHIP BEFORE ASSIGNMENT:

RECORD TITLE:

OXY USA WTP L.P. – 100%

***OPERATING RIGHTS: SURFACE TO 100 FEET
BELOW THE STRATIGRAPHIC EQUIVALENT OF
2859 FEET AS DRILLED IN STATE 18-1A WELL
T14S, R8E, SLB&M. 276.32 ACRES***

SEC. 19: LOTS 1-4, E $\frac{1}{2}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$

***KLABZUBA OIL & GAS-41.875%,
THUNDERBIRD ENERGY INC.-41.875%,
FORCENERGY INC.-16.25%***

OWNERSHIP AFTER ASSIGNMENT:

RECORD TITLE:

OXY USA WTP L.P. – 100%

***OPERATING RIGHTS: SURFACE TO 100 FEET
BELOW THE STRATIGRAPHIC EQUIVALENT OF
2859 FEET AS DRILLED IN STATE 18-1A WELL
T14S, R8E, SLB&M. 276.32 ACRES***

SEC. 19: LOTS 1-4, E $\frac{1}{2}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$

***DUDLEY & ASSOCIATES, LLC-41.875%,
THUNDERBIRD ENERGY INC.-41.875%,
FORCENERGY INC.-16.25%***

....ML 27908 (UNIV)....

Upon recommendation of Ms. Garrison, the Director approved the assignment of 50% interest in operating rights limited to depths lying beneath 100 feet below stratigraphic equivalent of 2859 feet down to and including, but not beyond, the stratigraphic equivalent of 3802 feet as drilled in the Gordon Creek State 19-14-8 Well in part of lands: Lots 1, 2, SE $\frac{1}{4}$ NW $\frac{1}{4}$, Sec. 19, T14S, R8E, SLB&M., 118.04 acres, in and to the lease listed below to Dudley & Associates, LLC, 1776 Lincoln Street, Suite 900, Denver, CO 80203, by Klabzuba Oil and Gas. No override, but subject to 12.5% overriding royalty previously reserved. Effective June 1, 2004, the Trust Lands Administration assumes no responsibility in reviewing, collecting, or distributing overriding royalty.

OWNERSHIP BEFORE ASSIGNMENT:

RECORD TITLE:

OXY USA WTP L.P. – 100%

***OPERATING RIGHTS: BENEATH 100 FEET
BELOW STRATIGRAPHIC EQUIVALENT OF
2859 FEET DOWN TO AND INCLUDING, BUT
NOT BELOW 3802 FEET AS DRILLED IN THE
GORDON CREEK STATE 19-4-8 WELL
T14S, R8E, SLB&M. 118.04 ACRES***

SEC. 19: LOTS 1, 2, SE $\frac{1}{4}$ NW $\frac{1}{4}$

***KLABZUBA OIL & GAS-50%,
THUNDERBIRD ENERGY INC.-50%***

OWNERSHIP AFTER ASSIGNMENT:

RECORD TITLE:

OXY USA WTP L.P. – 100%

***OPERATING RIGHTS: BENEATH 100 FEET
BELOW STRATIGRAPHIC EQUIVALENT OF
2859 FEET DOWN TO AND INCLUDING, BUT
NOT BELOW 3802 FEET AS DRILLED IN THE
GORDON CREEK STATE 19-4-8 WELL
T14S, R8E, SLB&M. 118.04 ACRES***

SEC. 19: LOTS 1, 2, SE $\frac{1}{4}$ NW $\frac{1}{4}$

***DUDLEY & ASSOCIATES, LLC-50%,
THUNDERBIRD ENERGY INC.-50%***

....ML 27908 (UNIV)....

OPERATING RIGHTS ASSIGNMENTS – OIL, GAS, AND HYDROCARBON LEASES (CONTINUED)

Upon recommendation of Ms. Garrison, the Director approved the assignment of 50% interest in operating rights limited to depths lying beneath 100 feet below stratigraphic equivalent of 2859 feet down to and including, but not beyond, the stratigraphic equivalent of 3802 feet as drilled in the Gordon Creek State 19-14-8 Well in part of lands: Lots 3, 4, E½SW¼ Sec. 19, T14S, R8E, SLB&M., 158.28 acres, in and to the lease listed below to Dudley & Associates, LLC, 1776 Lincoln Street, Suite 900, Denver, CO 80203, by Klabzuba Oil and Gas. No override, but subject to 12.5% overriding royalty previously reserved. Effective June 1, 2004, the Trust Lands Administration assumes no responsibility in reviewing, collecting, or distributing overriding royalty.

OWNERSHIP BEFORE ASSIGNMENT:

RECORD TITLE:

OXY USA WTP L.P. – 100%

***OPERATING RIGHTS: BENEATH 100 FEET
BELOW STRATIGRAPHIC EQUIVALENT OF
2859 FEET DOWN TO AND INCLUDING, BUT
NOT BELOW 3802 FEET AS DRILLED IN THE
GORDON CREEK STATE 19-4-8 WELL
T14S, R8E, SLB&M. 158.28 ACRES
SEC. 19: LOTS 3, 4, E½SW¼***

***KLABZUBA OIL & GAS-50%,
THUNDERBIRD ENERGY INC.-50%***

OWNERSHIP AFTER ASSIGNMENT:

RECORD TITLE:

OXY USA WTP L.P. – 100%

***OPERATING RIGHTS: BENEATH 100 FEET
BELOW STRATIGRAPHIC EQUIVALENT OF
2859 FEET DOWN TO AND INCLUDING, BUT
NOT BELOW 3802 FEET AS DRILLED IN THE
GORDON CREEK STATE 19-4-8 WELL
T14S, R8E, SLB&M. 158.28 ACRES
SEC. 19: LOTS 3, 4, E½SW¼***

***DUDLEY & ASSOCIATES, LLC-50%,
THUNDERBIRD ENERGY INC.-50%***

....ML 27908 (UNIV)....

Upon recommendation of Ms. Garrison, the Director approved the assignment of 25% interest in operating rights from the surface of the earth down to 3486 feet, as penetrated in the Gordon Creek State 1-19-14-8 Well, located in the SE¼NE¼ Sec. 19, T1S, R8E, SLB&M., in part of lands: NW¼NE¼, Sec. 19, T14S, R8E, SLB&M., 40.00 acres, in and to the lease listed below to Dudley & Associates, LLC, 1776 Lincoln Street, Suite 900, Denver, CO 80203, by Klabzuba Oil and Gas. No override, but subject to 7.5% overriding royalty previously reserved. Effective June 1, 2004, the Trust Lands Administration assumes no responsibility in reviewing, collecting, or distributing overriding royalty.

OWNERSHIP BEFORE ASSIGNMENT:

RECORD TITLE:

CONOCOPHILLIPS COMPANY – 50%,
CHEVRON U.S.A. INC.-50%

***OPERATING RIGHTS: SURFACE DOWN TO 3486
FEET AS PENETRATED IN THE GORDON CREEK
STATE 1-19-14-8 WELL LOCATED IN THE SE¼NE¼
SEC. 19, T14S, R8E, SLB&M.
T14S, R8E, SLB&M. 40.00 ACRES
SEC. 19: NW¼NE¼***

***CHEVRON USA INC.-50%,
THUNDERBIRD ENERGY, INC.-25%,
KLABZUBA OIL AND GAS-25%***

OWNERSHIP AFTER ASSIGNMENT:

RECORD TITLE:

CONOCOPHILLIPS COMPANY-50%,
CHEVRON U.S.A. INC.-50%

***OPERATING RIGHTS: SURFACE DOWN TO 3486
FEET AS PENETRATED IN THE GORDON CREEK
STATE 1-19-14-8 WELL LOCATED IN THE SE¼NE¼
SEC. 19, T14S, R8E, SLB&M.
T14S, R8E, SLB&M. 40.00 ACRES
SEC. 19: NW¼NE¼***

***CHEVRON USA INC.-50%,
THUNDERBIRD ENERGY, INC.-25%,
DUDLEY & ASSOCIATES, LLC-25%***

....ML 46311 (UNIV)....

OPERATING RIGHTS ASSIGNMENTS – OIL, GAS, AND HYDROCARBON LEASES (CONTINUED)

Upon recommendation of Ms. Garrison, the Director approved the assignment of 35% interest in operating rights from Surface to Base of Green River Formation in part of lands: S½SW¼, SE¼ Sec. 10; SW¼NW¼, NW¼SW¼ Sec. 11, T6S, R19E, SLB&M., 304.30 acres in and to the lease listed below to Newfield Production Company, 1401 17th Street, Suite 1000, Denver, CO 80202, by Elk Resources, LLC. No override, but subject to 2.5% overriding royalty previously reserved. Effective June 1, 2004, the Trust Lands Administration assumes no responsibility in reviewing, collecting, or distributing overriding royalty. (**REFUND: \$800 Overpayment of Filing Fees to Newfield Production Company.**)

OWNERSHIP BEFORE ASSIGNMENT:

RECORD TITLE:

T6S, R19E, SLB&M. 304.30 ACRES

SEC. 10: M&B (S½SW¼, SE¼)

SEC. 11: M&B (SW¼NW¼, NW¼SW¼)

ELK RESOURCES, LLC – 70%,

EL PASO E&P COMPANY, LP – 30%

....ML 48374 (SCH)....

OWNERSHIP AFTER ASSIGNMENT:

RECORD TITLE:

T6S, R19E, SLB&M. 304.30 ACRES

SEC. 10: M&B (S½SW¼, SE¼)

SEC. 11: M&B (SW¼NW¼, NW¼SW¼)

ELK RESOURCES, LLC – 35%,

NEWFIELD PRODUCTION COMPANY – 35%,

EL PASO E&P COMPANY, LP – 30%

Upon recommendation of Ms. Garrison, the Director approved the assignment of 35% interest in operating rights from Surface to Base of Green River Formation in and to the lease listed below to Newfield Production Company, 1401 17th Street, Suite 1000, Denver, CO 80202, by Elk Resources, LLC. No override, but subject to 2.5% overriding royalty previously reserved. Effective June 1, 2004, the Trust Lands Administration assumes no responsibility in reviewing, collecting, or distributing overriding royalty.

OWNERSHIP BEFORE ASSIGNMENT:

RECORD TITLE:

ELK RESOURCES, LLC – 70%,

EL PASO E&P COMPANY, LP – 30%

OWNERSHIP AFTER ASSIGNMENT:

RECORD TITLE:

ELK RESOURCES, LLC – 70%,

EL PASO E&P COMPANY, LP – 30%

**OPERATING RIGHTS: SURFACE TO BASE OF
GREEN RIVER FORMATION**

ELK RESOURCES, LLC – 35%,

NEWFIELD PRODUCTION COMPANY – 35%,

EL PASO E&P COMPANY, LP – 30%

....ML 48693 (SCH)....

Upon recommendation of Ms. Garrison, the Director approved the assignment of 35% interest in operating rights in and to the lease listed below to Newfield Production Company, 1401 17th Street, Suite 1000, Denver, CO 80202, by Elk Resources, LLC. No override, but subject to 2.5% overriding royalty previously reserved. Effective June 1, 2004, the Trust Lands Administration assumes no responsibility in reviewing, collecting, or distributing overriding royalty.

OWNERSHIP BEFORE ASSIGNMENT:

RECORD TITLE:

ELK RESOURCES, LLC – 70%,

EL PASO E&P COMPANY, LP – 30%

OWNERSHIP AFTER ASSIGNMENT:

RECORD TITLE:

ELK RESOURCES LLC – 70%,

EL PASO E&P COMPANY, LP – 30%

OPERATING RIGHTS:

ELK RESOURCES, LLC – 35%,

NEWFIELD PRODUCTION COMPANY – 35%,

EL PASO E&P COMPANY, LP – 30%

....ML 50798 (SCH)....

OPERATING RIGHTS ASSIGNMENTS – OIL, GAS, AND HYDROCARBON LEASES (CONTINUED)

Upon recommendation of Ms. Garrison, the Director approved the assignment of 32.5% interest in operating rights in and to the lease listed below to Newfield Production Company, 1401 17th Street, Suite 1000, Denver, CO 80202, by Elk Resources, LLC. No override.

OWNERSHIP BEFORE ASSIGNMENT:**RECORD TITLE:**

ELK RESOURCES, LLC – 65%,
ENCANA OIL & GAS (USA) INC. – 35%

OWNERSHIP AFTER ASSIGNMENT:**RECORD TITLE:**

ELK RESOURCES, LLC – 65%,
ENCANA OIL & GAS (USA) INC. – 35%

OPERATING RIGHTS:

ELK RESOURCES, LLC – 32.5%,
NEWFIELD PRODUCTION COMPANY – 32.5%,
ENCANA OIL & GAS (USA) INC. – 35%

....ML 50801 (SCH)....

CORRECTION OF DIRECTOR'S AGENDA – OCTOBER 12, 2007 – ML 50798 (SCH) – OIL, GAS, AND HYDROCARBON

The Director, on October 12, 2007, approved the total assignment of the above-numbered lease to El Paso E&P Company, L.P., 1099 Eighteenth Street, Suite 1900, Denver, CO 80202, by Elk Resources, Inc. It has come to our attention that this assignment should have been approved as an assignment of **30% record interest** and not 100% record title.

Upon recommendation of Ms. Garrison, the Director approved the above-listed correction.

S U R F A C E A C T I O N S

GRAZING PERMITS**GRAZING PERMIT NO. 21127 (CORRECTION TO LEGAL DESCRIPTION)**

Grazing Permit No. 21127 is issued to George Frazier, P.O. Box 385, Woodruff, UT 84086. Cache and Rich Counties. School and Reservoirs Funds.

While correcting ownership records on the Business System, staff discovered the following legal descriptions included in GP 21127 were incorrect. These descriptions have been deleted from the permit:

T9N, R5E, SLB&M

Section 3: Tract 39 - 735.34 acres

Section 10: W½NE¼ (Now Tract 57) - 80.37 acres

GRAZING PERMIT NO. 21127 (CORRECTION TO LEGAL DESCRIPTION) (CONTINUED)

The following correct descriptions have been added to the permit:

T9N, R5E, SLB&M

Sec. 2: Part of Tract 39 [aka W $\frac{1}{2}$] - 203.55 acres

Sec. 3: Part of Tract 39 [aka E $\frac{1}{2}$, E $\frac{1}{2}$ W $\frac{1}{2}$] - 378.92 acres

Sec. 10: Part of Tract 39 [aka N $\frac{1}{2}$ NE $\frac{1}{4}$, NE $\frac{1}{4}$ NW $\frac{1}{4}$] - 60.12 acres

Sec. 11: Part of Tract 39 [aka N $\frac{1}{2}$ NW $\frac{1}{4}$] - 37.54 acres

T9N, R5E, SLB&M

Sec. 9: Part of Tract 57 [aka E $\frac{1}{2}$ NE $\frac{1}{4}$, NE $\frac{1}{4}$ SE $\frac{1}{4}$] - 35.00 acres

Sec. 10: Part of Tract 57 [aka W $\frac{1}{2}$ NW $\frac{1}{4}$, NW $\frac{1}{4}$ SW $\frac{1}{4}$] - 45.00 acres

The new total acreage on the permit is 2,862.26.

Upon recommendation of Ms. Paula Lane, the Director approved the above correction.

GRAZING PERMIT NO. 22512 (CORRECTION TO LEGAL DESCRIPTION)

Grazing Permit No. 22512 is issued to Larry W. Fitzgerald, P.O. Box 250, Eureka, UT 84628. Tooele and Utah Counties. School Fund.

While correcting ownership records on the Business System, staff discovered the following legal description included in GP 22512 was incorrect. The description has been deleted from the permit:

T7S, R3W, SLB&M

Sec. 32: All 640.00 acres

The following correct description has been added to the permit:

T7S, R3W, SLB&M

Sec. 32: N $\frac{1}{2}$, SW $\frac{1}{4}$, N $\frac{1}{2}$ SE $\frac{1}{4}$, N $\frac{1}{2}$ SW $\frac{1}{4}$ SE $\frac{1}{4}$, SW $\frac{1}{4}$ SW $\frac{1}{4}$ SE $\frac{1}{4}$, N $\frac{1}{2}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$, SE $\frac{1}{4}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$ (620.00 acres)

Note: The S $\frac{1}{2}$ SW $\frac{1}{4}$ SE $\frac{1}{4}$ was removed because the Trust Lands Administration does not own the land.

The new total acreage for this permit is 3,469.41.

Upon recommendation of Ms. Paula Lane, the Director approved the above correction.

RIGHTS OF ENTRY**RIGHT OF ENTRY NO. 5258 (APPROVAL)**

The Trust Lands Administration has received a right of entry permit application from Beaver Creek Lodge, Inc., Attn. Bryan Lundahl, P.O. Box 545, Providence, Utah 84332, to conduct guided snowmobile tours and guided horseback riding tours on the following trust lands:

<u>Township 14 North, Range 4 East, SLB&M</u>	<u>Acres</u>
Section 5: SW $\frac{1}{4}$	160.00
Section 6: Lots 6, 7, E $\frac{1}{2}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$	315.32
Section 7: NE $\frac{1}{4}$ NW $\frac{1}{4}$, NW $\frac{1}{4}$ NE $\frac{1}{4}$, E $\frac{1}{2}$ E $\frac{1}{2}$	240.00
Section 8: All	640.00

County: Cache

Acres: 1,355.32

Fund: School

The purpose of the permit is to occupy the above-described trust land for the non-exclusive and temporary use of trust lands for the purpose of guided horseback riding tours during the summer period and guided snowmobiling tours during the winter period. The area used lies between the permittee's private land and USDA Forest lands that border the trust lands.

The permit shall have a one-year term, with a commencement date of December 1, 2008, and an expiration date of November 30, 2009. The charge for this permit is \$200.00 (initial minimum rental) plus revenue sharing. The total usage rental shall be three percent (3%) of gross revenue receipts of horseback riding tours and snowmobile tours. The remainder of the rental shall be calculated based on gross revenues and paid in arrears on or before December 1, 2009. In addition, the permittee has been assessed a \$50.00 application fee and a \$50.00 processing charge.

The permittee is a Utah Corporation, in good standing with the State of Utah and has provided proof of insurance coverage required by the permit. The permittee has a previous record of satisfactory performance with the Forest Service and the State. The previous permit, ROE 5110, expired November 30, 2008, and previous payments have been made as required by the agreement.

Upon recommendation of Mr. Gary Bagley, the Director approved Right of Entry Permit No. 5258 as described above.

RIGHT OF ENTRY NO. 5259 (APPROVAL)

The Trust Lands Administration has received a right of entry permit application from Nordic United, Attn. Chris Monz, President, 784 Juniper Drive, Logan, UT 84321, for nordic skiing purposes such as trail grooming and a nordic ski training site on the following trust lands:

<u>Township 14 North, Range 4 East, SLB&M</u>	<u>Acres</u>
Section 6: Within the SE4	5.00
Section 7: Within the NE4 and N2SE4	10.00

The description of the groomed trail area is depicted on a map labeled Exhibit "C" of the permit.

County: Cache

Acres: 15.00

Fund: School

The purpose of the permit is to occupy the above-described trust land for the non-exclusive and temporary use of grooming and associated use of a nordic (cross-country-type) ski trail on and adjoining the existing Sink Hollow Trail.

RIGHT OF ENTRY NO. 5259 (APPROVAL) (CONTINUED)

The permit shall have a five-month term, beginning December 1, 2008, and expiring April 30, 2009. The initial rental for this use is \$400.00 plus a \$50.00 application fee and a \$50.00 processing charge, totaling \$500.00.

In addition to the standard permit language, ROE 5259 shall include the following requirements:

Parking. There are two nearby existing parking lots available for parking on trust lands: The south (lower) parking lot (near the Logan Canyon Highway) and the upper parking lot at the Beaver Creek Trailhead. These parking lots, primarily the upper lot, are also used by snowmobile riders. The Trust Lands Administration urges users of this permit to use the south (lower) parking lot to the extent possible and use only a portion of the upper lot, especially on weekends, holidays, and other busy use times, leaving a reasonable amount of parking area for the snowmobile users who unload at the Beaver Creek Trailhead.

There may also be parking available at the Beaver Mountain Ski Resort. However, permission from the Beaver Mountain Ski Resort is required to park there and parking fees will apply and be payable to the Beaver Mountain Ski Resort separately from this permit.

Snowmobile Access to Long Hollow. Although the Permittee plans to groom and maintain a nordic skiing course as depicted on Exhibit "C" of the right of entry agreement, there must be at least one access crossing point for snow-mobile riders to access the Long Hollow Ridge area.

Beaver Mountain Ski Resort Area Off Limits. Permittee shall not allow its users to trespass onto or interfere in any way with the Beaver Mountain Ski Resort area.

Waiver and Release of Liability and Entrance Fee. Permittee shall require all participants in any special organized nordic skiing event to sign a waiver and release of liability naming both the Permittee and the Trust Lands Administration. Permittee shall also collect an additional amount of at least \$5.00 per participant for these special nordic events. Permittee shall report this information and pay the appropriate amount to the Trust Lands Administration after the conclusion of each event and prior to April 30, 2009. Permittee shall report to the Trust Lands Administration any plan to conduct any of these types of events prior to the date of the event.

The permittee is a non-profit corporation in good standing with the State of Utah. The permittee is providing proof of insurance and including Trust Lands as a loss payee on the insurance policy. The permittee is also submitting a \$250.00 cash bond for performance of the permit and cleanup of the site.

This particular use on a small portion of the Beaver Creek Land Block is to be authorized for one (1) year for this season and shall be re-evaluated before another permit is considered next winter season.

Upon recommendation of Mr. Gary Bagley, the Director approved Right of Entry Permit No. 5259 as described above.

EASEMENTS**EASEMENT NO. 1330 (APPROVAL)****APPLICANT'S NAME AND ADDRESS:**

Utah Division of Parks and Recreation
1594 West North Temple, Suite #116
Salt Lake City, Utah 84114-6001

LEGAL DESCRIPTION:

Township 14 North, Range 3 East, SLB&M
Section 25: SW $\frac{1}{4}$ NW $\frac{1}{4}$ (within)

A parcel of ground located in the northwest quarter of Section 25, Township 14 North, Range 3 East, of the Salt Lake Base and Meridian, described as follows:

Commencing at the BLM aluminum cap found at the west quarter corner for the north half of Section 25, Township 14 North, Range 3 East, of the Salt Lake Base and Meridian, from which the aluminum cap monument found at the northwest corner of said Section 25 bears N 00°04'06" E 2,638.08 feet, and running thence N 00°04'06" E along the west line of the northwest quarter of said Section 25 a distance of 1,014.02 feet; thence leaving said quarter section line S 89°55'54" E 832.36 feet to the true point of beginning; running thence N 49°19'14" E 119.05 feet to a point on the approximate centerline of the Franklin Basin Road and the point of curve of a non-tangent curve of which the radius point lies N 47°42'29" E 4,675.11 feet; thence southeasterly along the approximate centerline of said road the following two courses: 1) 155.87 feet along the arc of a 4,675.11 foot radius curve to the left through a central angle of 01°54'37" and a long chord that bears S 43°14'49" E 155.86 feet to a point of compound curve; 2) thence southeasterly 223.67 feet along the arc of a 330.00 foot radius curve to the left through a central angle of 38°50'02" and a long chord that bears S 63°37'09" E 219.41 feet; thence leaving said road S 28°05'09" W 157.10 feet; thence S 08°12'44" E 38.74 feet to the point of curve of a non-tangent curve of which the radius point lies N 67°02'54" W 120.00 feet; thence northwesterly 380.47 feet along the arc of a 120.00 foot radius curve to the right through a central angle of 181°39'48" and a long chord that bears N 66°13'00" W 239.97 feet; thence N 24°36'53" E 65.09 feet; thence N 40°40'46" W 203.62 feet to the point of beginning. Containing 85,462 square feet or 1.96 acres, more or less.

COUNTY: Cache

ACRES: 1.96

FUND: Institution for the Blind

PROPOSED ACTION:

The applicant requests an easement to construct, operate, repair, and maintain a recreational parking lot and staging area in the Franklin Basin area of Logan Canyon in Cache County. The parking lot/staging area is known as the Franklin Basin Trailhead and is a popular area for both summer and winter recreation. The parking lot/staging area is primarily used for motorized recreation. The applicant desires to obtain an easement for the existing parking lot area and also an expanded area to allow for more single vehicle parking. The proposed easement footprint contains 1.96 acres. The term of the easement will be perpetual.

The applicant has requested that the Agency's off-highway vehicle ("OHV") funding program be used to pay the fees associated with the easement. The applicant has stated that the parking lot/staging area will be open for use by OHV users.

EASEMENT NO. 1330 (APPROVAL) (CONTINUED)**RELEVANT FACTUAL BACKGROUND:**

The Resource Development Coordinating Committee ("RDCC") review was initiated on April 29, 2008. No comments were received.

The project area has been surveyed for cultural resources by the Trust Lands Administration's staff archaeologist (U-04-UM-0548s). No cultural resources were identified during this survey; therefore, cultural resource clearance has been granted with a finding of "No Historic Properties."

EVALUATION OF FACTS:

1. The proposed easement is located entirely on trust lands.
2. The proposed easement would be for a perpetual term.
3. The applicant has paid the School and Institutional Trust Lands Administration the fees as determined pursuant to R850-40-600.
4. The proposed easement will not have an unreasonably adverse affect on the developability or marketability of the subject property.

The action qualifies as an exclusion to the narrative record of decision process because it does not warrant the time and expense necessary to complete a full narrative record. Therefore, this summary will constitute the record of decision.

Upon recommendation of Mr. Chris Fausett, the Director approved Easement No. 1330 for a perpetual term beginning January 1, 2009, with the easement fee being \$16,200.00 plus the \$750.00 application fee. The administrative fee required pursuant to R850-40-1800 has been paid in a one-time payment of \$1,000.00. The applicant has applied for funding of the easement fee, application fee, and one-time administrative fee through the Trust Lands Administration's OHV funding program. This easement qualifies for funding based on the acknowledgement by the applicant that the parking lot/staging area will be open for OHV use.

EASEMENT NO. 1357 (APPROVAL)**APPLICANT'S NAME AND ADDRESS:**

Enduring Resources, LLC
475 17th Street, Suite 1500
Denver, Colorado 80202

LEGAL DESCRIPTION:

Township 11 South, Range 22 East, SLB&M
Section 36: NE $\frac{1}{4}$ NW $\frac{1}{4}$ (within)

A 40 foot wide easement located in Section 36, T11S, R22E, SLB&M, Uintah County, Utah. The width of said easement being 15 feet on the right side and 25 feet on the left side of the centerline of said easement. Said centerline being more particularly described as follows:

Beginning at a point in the NE $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 36, T11S, R22E, SLB&M, which bears S 56°06'35" W 389.69 feet from the north $\frac{1}{4}$ corner of said section; thence N 03°57'39" E 153.44 feet; thence N 12°47'09" W 65.82 feet to a point on the north line of the NW $\frac{1}{4}$ of said section which bears S 89°59'35" W 327.45 feet from the said north $\frac{1}{4}$ corner; basis of bearings is the said north line of the NW $\frac{1}{4}$ which is taken from global positioning satellite observations to bear S 89°59'35" W a measured distance of 2639.21 feet. Contains 0.20 acres more or less.

COUNTY: Uintah

ACRES: 0.20

FUND: School

EASEMENT NO. 1357 (APPROVAL) (CONTINUED)**PROPOSED ACTION:**

The applicant requests an easement to construct, operate, repair, and maintain an access road and a 4-inch or less diameter surface pipeline. The proposed access road and pipeline will be used to service the Buck Camp Canyon 11-22-32-25 Well to be located on federal lands to the north. The proposed easement corridor is 219.26 feet long and 40 feet wide, containing 0.20 acres. The term of the easement will be 30 years.

RELEVANT FACTUAL BACKGROUND:

The Resource Development Coordinating Committee ("RDCC") review was initiated on February 26, 2008. Comments were received from the Department of Environmental Quality/Division of Air Quality, the Utah Geological Survey, and the Uintah County Commission as follows:

Department of Environmental Quality/Division of Air Quality:

"This proposal may require a permit, known as an Approval Order, from the Executive Secretary of the Air Quality Board if any compressor or pump stations are constructed at the site. If a permit is required, a permit application, known as a Notice of Intent (NOI), should be submitted to the Executive Secretary at the Utah Division of Air Quality at 150 North 1950 West, Salt Lake City, Utah 84116, for review according to the Utah Air Quality Rule R307-401. Permit: Notice of Intent and Approval Order. The guidelines for preparing an NOI are available online at <http://www.airquality.utah.gov/Permits/FORMS/NOIGuide8.pdf>

"In addition, the project is subject to R307-205-5, Fugitive Dust, since the project could have a short-term impact on air quality due to the fugitive dust that could be generated during the excavation and construction phases of the project. An Approval Order is not required solely for the control of fugitive dust, but steps need to be taken to minimize fugitive dust, such as watering and/or chemical stabilization, providing vegetative or synthetic cover, or windbreaks. A copy of the rules may be found at: www.rules.utah.gov/public/code/r307/r307.htm."

Utah Geological Survey:

"Although there are no paleontological localities recorded in our files for this project area, the Eocene Uinta Formation exposed here has the potential for yielding significant vertebrate fossil localities. The Office of the State Paleontologist, therefore, recommends a paleontological survey be conducted for this project and its easements by a paleontologist with a valid permit."

Uintah County Commission:

"Thank you for the opportunity to comment on the construction, operation, repair, and maintenance by Enduring Resources, LLC for an access road and a 4-inch or less surface pipeline located in T11S, R22E, Sec. 36: NE¼NW¼ (within) in Uintah County. The proposed access road and pipeline would be used to service the Buck Camp Canyon 11-22-32-25 Well located on federal lands to the north. The proposed easement corridor is 219.26 feet long and 40 feet wide, containing 0.20 acres.

"Uintah County supports this action, keeping ground disturbance caused by clearing and grading of the road footprint, increase in traffic, equipment, dust, and noise emissions during construction, at a minimum.

"We would ask that Enduring Resources, LLC contact the Uintah County Planning & Zoning Department for the necessary County permits. We have no further comment at this time, but reserve the right of comment at a later date if warranted."

EASEMENT NO. 1357 (APPROVAL) (CONTINUED)

The applicant has been notified of the comments provided by the RDCC. The comments submitted by the Department of Environmental Quality/Division of Air Quality are addressed within Paragraph 12 of the easement agreement.

Pursuant to the comments received from the Utah Geological Survey, the proposed easement corridor has been surveyed for paleontological resources by Intermountain Paleo-Consulting (Report No. 07-29). No significant vertebrate fossils were discovered within the project area; therefore, it was recommended that no paleontological restrictions be placed on the project. If any fossils are discovered during construction, a qualified paleontologist should be notified to evaluate the discovery.

The project area has been surveyed for cultural resources by Montgomery Archaeological Consultants (U-07-MQ-0434b,s). No cultural resources were identified during this survey. The Trust Lands Administration's staff archaeologist has reviewed this survey and has granted archaeological clearance with a finding of "No Historic Properties."

In order to protect the potential future extraction of oil shale from the lands underlying the easement corridor, a relocation clause will be included in the easement agreement.

EVALUATION OF FACTS:

1. The proposed easement is not located entirely on trust lands.
2. The proposed easement term is for a period of 30 years.
3. The applicant has paid the School and Institutional Trust Lands Administration the fees as determined pursuant to R850-40-600.
4. The proposed easement will not have an unreasonably adverse affect on the developability or marketability of the subject property.

The action qualifies as an exclusion to the narrative record of decision process because it does not warrant the time and expense necessary to complete a full narrative record. Therefore, this summary will constitute the record of decision.

Upon recommendation of Mr. Chris Fausett, the Director approved Easement No. 1357 for a term of 30 years beginning December 1, 2008, and expiring November 30, 2038, with the easement fee being \$239.19 plus the \$750.00 application fee. Pursuant to R850-40-1800, an administrative fee will be assessed every three years throughout the term of the easement, with the first payment being due on January 1, 2011.

EASEMENT NO. 1432 (APPROVAL)**APPLICANT'S NAME AND ADDRESS:**

EnCana Oil & Gas (USA) Inc.
2717 CR 215, Suite 100
Parachute, Colorado 81635

LEGAL DESCRIPTION:

Township 30 South, Range 25 East, SLB&M
Section 16: SW $\frac{1}{4}$, NW $\frac{1}{4}$ SE $\frac{1}{4}$, S $\frac{1}{2}$ NE $\frac{1}{4}$, NE $\frac{1}{4}$ NE $\frac{1}{4}$ (within)

A strip of land 30.00 feet in width, situated within Section 16, Township 30 South, Range 25 East, SLB&M, San Juan County, Utah, the boundaries thereof being 15.00 feet on either side of the following described centerline:

Commencing at the section corner common to Sections 16, 17, 20, and 21, Township 30 South, Range 25 East, SLB&M, San Juan County, Utah, being a brass cap and iron pipe monument, thence N 42°28'32" E 639.96 feet to the point of beginning; thence N 56°13'30" E 45.67 feet; thence S 33°46'30" E 31.79 feet; thence N 64°57'00" E 37.47 feet; thence N 66°57'30" E 80.82 feet; thence N 59°25'05" E 294.16 feet; thence N 65°01'31" E 224.46 feet; thence N 35°02'43" E 50.49 feet; thence N 51°26'15" E 65.14 feet; thence N 47°53'35" E 145.87 feet; thence N 52°18'28" E 107.99 feet; thence N 58°13'47" E 288.70 feet; thence N 49°47'53" E 84.49 feet; thence N 46°29'11" E 111.49 feet; thence N 44°10'50" E 260.37 feet; thence N 46°44'57" E 1071.10 feet; thence N 46°33'39" E 887.59 feet; thence N 50°15'23" E 1037.65 feet; thence N 49°34'53" E 176.28 feet; thence N 05°15'23" E 81.34 feet; thence N 41°32'01" E 97.28 feet; thence N 32°00'45" E 108.94 feet; thence N 50°01'44" E 404.90 feet to the point of terminus, being N 21°08'03" W 1432.18 feet from the quarter section corner common to Sections 15 and 16, Township 30 South, Range 25 East, SLB&M, San Juan County, Utah, being a brass cap and iron pipe monument. Contains 3.92 acres more or less.

COUNTY: San Juan

ACRES: 3.92

FUND: School

PROPOSED ACTION:

The applicant requests an easement to construct, operate, repair, and maintain a 12-inch diameter buried natural gas pipeline. The pipeline will be used to service the Bullhorn Compressor Facility, which has been authorized under Special Use Lease No. 1575. The easement corridor is 5,693.99 feet long and 30 feet wide, containing 3.92 acres. The term of the easement will be 30 years. This new 12-inch pipeline will replace an existing 4-inch pipeline that was originally constructed under the authorization of Right of Way No. 1222. As part of this new easement agreement, Right of Way No. 1222 will be relinquished and terminated by the Trust Lands Administration.

This Easement No. 1432 will also replace Right of Entry No. 5235, which was granted on October 13, 2008, in order to allow construction of the 12-inch pipeline to begin while the easement agreement for Easement No. 1432 was being finalized. Right of Entry No. 5235 expired on November 29, 2008. The effective date of Easement No. 1432 will be November 30, 2008.

RELEVANT FACTUAL BACKGROUND:

This application was exempt from review by the Resource Development Coordinating Committee ("RDCC") since the issuance of the easement will not result in any new ground disturbance and the new pipeline will replace an existing pipeline.

EASEMENT NO. 1432 (APPROVAL) (CONTINUED)

The application has been reviewed by the Trust Lands Administration's staff archaeologist, who has determined that the project area has been covered by several previous cultural resource surveys conducted by Grand River Institute (U-08-GB-0338b,s and U-07-GB-1253s), Four Corners (U-04-FE-033b,s) and LaPlata Archaeological Consultants (U-89-LA-0512s). No significant sites have been identified within the project area; therefore, based on these surveys and the fact the installation of this pipeline will not cause any new ground disturbance, the project was granted archaeological clearance.

EVALUATION OF FACTS:

1. The proposed easement is not located entirely on trust lands.
2. The proposed term is for a period of 30 years.
3. The applicant has paid the School and Institutional Trust Lands Administration the fees as determined pursuant to R850-40-600.
4. The proposed easement will not have an unreasonably adverse affect on the developability or marketability of the subject property.

The action qualifies as an exclusion to the narrative record of decision process because it does not warrant the time and expense necessary to complete a full narrative record. Therefore, this summary will constitute the record of decision.

Upon recommendation of Mr. Chris Fausett, the Director approved Easement No. 1432 for a term of 30 years beginning November 30, 2008, and expiring November 29, 2038, with the easement fee being \$6,556.72 plus the \$750.00 application fee. Pursuant to R850-40-1800 an administrative fee will be assessed every three years throughout the term of the easement, with the first payment being due on January 1, 2011.

EASEMENT NO. 1451 (APPROVAL)**APPLICANT'S NAME AND ADDRESS:**

Enertech Energy, Inc.
1901 Avenue of the Stars
Los Angeles, California 90067

LEGAL DESCRIPTION:

Township 5 South, Range 21 East, SLB&M
Section 5: SW $\frac{1}{4}$ NW $\frac{1}{4}$ (within)

A 30 foot wide easement located in the SW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 5, T5S, R21E, SLB&M, the easement limits being 15 feet on each side of the following described centerline:

Beginning at a point in the SW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 5, T5S, R21E, SLB&M, which bears N 36°40'58" E 776.15 feet from the west $\frac{1}{4}$ corner of said section; thence N 09°09'46" W 21.00 feet; thence N 27°22'08" W 40.81 feet; thence N 53°29'12" W 53.30 feet; thence N 65°14'05" W 67.98 feet; thence S 65°36'07" W 15.66 feet; thence S 60°43'54" W 231.04 feet; thence S 10°42'45" E 264.11 feet; thence S 03°53'35" W 94.31 feet; thence S 72°55'40" W 156.91 feet; thence S 89°05'47" W 13.75 feet to a point on the west line of the NW $\frac{1}{4}$ of said section which is computed from G.L.O. information to bear N 00°01'58" E 220.29 feet from the west $\frac{1}{4}$ corner of said section. Basis of bearings is the west line of the SW $\frac{1}{4}$ of said Section 5 which is taken from global positioning satellite observations to bear N 00°01'58" E a measured distance of 2638.63 feet. Contains 0.66 acres more or less.

COUNTY: Uintah

ACRES: 0.66

FUND: School

EASEMENT NO. 1451 (APPROVAL) (CONTINUED)**PROPOSED ACTION:**

The applicant requests an easement to construct, operate, repair, and maintain an access road. The proposed access road will be new construction and will be used to service the proposed Enertech T5R21S6 #2 Well. The proposed easement corridor is 958.87 feet long and 30 feet wide, containing 0.66 acres. The term of the easement will be 30 years.

RELEVANT FACTUAL BACKGROUND:

The Resource Development Coordinating Committee ("RDCC") review was initiated on October 23, 2008. Comments were received from the Department of Environmental Quality/Division of Air Quality and the Utah Geological Survey, as follows:

Department of Environmental Quality/Division of Air Quality:

"This proposal will not require a permit. However, if any "non-permitted" rock crushing plants, asphalt plants, or concrete batch plants are located at the site, an Approval Order from the Executive Secretary of the Air Quality Board will be required for operation of the equipment, including all equipment not permitted in Utah. A permit application, known as a Notice of Intent (NOI), should be submitted to the Executive Secretary at the Utah Division of Air Quality at 150 North, 1950 West, Salt Lake City, Utah 84116, for review according to R307-401: Permit: Notice of Intent and Approval Order, of the Utah Air Quality Rules. The guidelines for preparing a NOI are available on-line at: <http://www.airquality.utah.gov/Permits/FORMS/NOIGuide8.pdf>

"The proposed project, in Uintah County, is subject to R307-205-5, Fugitive Dust, of the Utah Air Quality Rules, due to the fugitive dust that is generated during the excavating phases of the project. These rules apply to construction activities that disturb an area greater than ¼ acre in size. A permit, known as an Approval Order, is not required from the Executive Secretary of the Air Quality Board, but steps need to be taken to minimize fugitive dust, such as watering and/or chemical stabilization, providing vegetative or synthetic cover, or windbreaks. A copy of the rules may be found at: www.rules.utah.gov/public/code/r307/r307.htm."

Utah Geological Survey:

"Although there are no paleontological localities recorded in our files for this project area, the Eocene Duchesne River Formation exposed here has the potential for yielding significant vertebrate fossil localities. The Office of the State Paleontologist, therefore, recommends a paleontological survey be conducted for this project by a paleontologist with a valid permit."

The applicant has been notified of the comments provided by the RDCC. The comments submitted by the Department of Environmental Quality/Division of Air Quality are addressed within Paragraph 12 of the easement agreement.

Pursuant to the comments received from the Utah Geological Survey, the proposed easement corridor has been surveyed for paleontological resources by Intermountain Paleo-Consulting. No significant vertebrate fossils were discovered within the project area; therefore, it was recommended that no paleontological restrictions be placed on the project. If any fossils are discovered during construction, a qualified paleontologist should be notified to evaluate the discovery.

The project area has been surveyed for cultural resources by Sagebrush Consultants (U-08-SJ-0925s). No cultural resources were identified during this survey. The Trust Lands Administration's staff archaeologist has reviewed this survey and has granted archaeological clearance with a finding of "No Historic Properties Affected."

EASEMENT NO. 1451 (APPROVAL) (CONTINUED)**EVALUATION OF FACTS:**

1. The proposed easement is located entirely on trust lands.
2. The proposed easement term is for a period of 30 years.
3. The applicant has paid the School and Institutional Trust Lands Administration the fees as determined pursuant to R850-40-600.
4. The proposed easement will not have an unreasonably adverse affect on the developability or marketability of the subject property.

The action qualifies as an exclusion to the narrative record of decision process because it does not warrant the time and expense necessary to complete a full narrative record. Therefore, this summary will constitute the record of decision.

Upon recommendation of Mr. Chris Fausett, the Director approved Easement No. 1451 for a term of 30 years beginning December 1, 2008, and expiring November 30, 2038, with the easement fee being \$435.85 plus the \$750.00 application fee. Pursuant to R850-40-1800, an administrative fee will be assessed every three years throughout the term of the easement, with the first payment being due on January 1, 2011.

RIGHT OF WAY NO. 1222 (RELINQUISHMENT)**GRANTEE'S NAME AND ADDRESS:**

EnCana Oil & Gas (USA) Inc.
370 17th Street, Suite 1700
Denver, Colorado 80202

LEGAL DESCRIPTION:

Township 30 South, Range 25 East, SLB&M
Section 16: (within)

Beginning at the Big Indian Unit No. 4 Well located along a center line in the SW $\frac{1}{4}$ of Section 14, in Township 30 South, Range 25 East, SLM, to a connecting point at the Lisbon Gasoline and Extraction Plant boundary in the SW $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 22, Township 30 South, Range 24 East, SLM.

COUNTY: San Juan

ACRES: 8.44 m/l

FUND: School

Pursuant to the agreement for Easement No. 1432, as documented in these Director's Minutes dated December 22, 2008, all rights and obligations of EnCana Oil & Gas (USA) Inc. under Right of Way No. 1222 will be relinquished and terminated as of the effective date of Easement No. 1432.

Right of Way No. 1222 was granted on March 5, 1970, by the Trust Lands Administration's predecessor agency for a 4-inch diameter pipeline for a perpetual term. The 4-inch pipeline has been removed and replaced by a new 12-inch pipeline as authorized by Easement No. 1432.

Upon recommendation of Mr. Chris Fausett, the Director approved the relinquishment and termination of Right of Way No. 1222.

SPECIAL USE LEASE AGREEMENTS**SPECIAL USE LEASE NO. 1597 (APPROVAL)****APPLICANT'S NAME AND ADDRESS:**

Commnet Four Corners, LLC
 Attn. Real Estate Notices
 400 Northridge Road, Suite 130
 Atlanta, GA 30350

TYPE: Telecommunication

Application Fee: \$ 250.00

TERM: Twenty (20) Years

Processing Charge: 700.00

BEGINNING DATE: December 1, 2008

First Years Rental: 7,200.00

ENDING DATE: November 30, 2028

Total Submitted: \$8,150.00

DUE DATE: December 1

NEXT REVIEW DATE: December 1, 2013

FUND: School

COUNTY: Kane

SITE NAME: Big Water (Phinger Point)

ACRES: 0.343 acres (site is 0.23 acres, road spur is 0.016 acres, and power line spur is 0.097 acres)

LEGAL DESCRIPTION:**Site Description:**

A description of lands within the SW¼ Section 3, Township 44 South, Range 2 East, SLB&M, Kane County, Utah, more particularly described as follows:

Beginning at a corner which bears N 29°08'19" W 1856.79 ft. from the South Quarter Corner of Section 3, T44S, R2E, SLB&M, and proceeding thence N 78°59'52" W 100.00 ft. to a corner; thence N 11°00'08" E 100.00 ft. to a corner; thence S 78°59'52" E 100.00 ft. to a corner; thence S 11°00'08" W 100.00 ft. to the point of beginning and containing 10,000 square feet, more or less. Corners are monumented as specified on the plat found in the file. Bearings are based on the South line of the SW¼ of Section 3 (bearing from GLO Record Survey Plat = N 89°58' W). Site contains 0.23 acres m/l.

Site Road Spur: (from site to existing county-maintained road)

A 20 ft. wide access easement, 10.0 ft. each side of the following described centerline within the SW¼ of Section 3, Township 44 South, Range 2 East, SLB&M, Kane County, Utah, described as follows:

Beginning at a point which bears N 28°09'51" W 1895.29 ft. from the South Quarter Corner Section 3, T44S, R2E, SLB&M, and proceeding thence with said centerline of easement S 78°59'52" E 34.00 ft. to the centerline of an existing dirt road, the terminus of this centerline description. Containing 0.016 acres m/l.

Power Line Spur: (from existing power line to the site)

A 20.0 ft. wide power easement, 10.0 ft. each side of the following described centerline within the SW¼ of Section 3, Township 44 South, Range 2 East, SLB&M, Kane County, Utah, described as follows:

Beginning at existing Pole #67, said pole bears N 21°21'53" W 1993.59 ft. from the South Quarter Corner of Section 3, T44S, R2E, SLB&M, and proceeding thence with said centerline of easement S 48°27'23" W 210.36 ft. to the terminus of this centerline description at the NE Corner of that tower site depicted and described herein. Containing 0.097 acres m/l.

Total site, access spur, and power line spur containing 0.343 acres, more or less.

SPECIAL USE LEASE NO. 1597 (APPROVAL) (CONTINUED)

Together with non-exclusive access across an existing unimproved road located upon lands administered by the Trust Lands Administration within Sections 14 (within N $\frac{1}{2}$ N $\frac{1}{2}$), 15 (within N $\frac{1}{2}$), 16 (within S $\frac{1}{2}$), 20 (within E $\frac{1}{2}$ SE $\frac{1}{4}$), 21 (within W $\frac{1}{2}$ W $\frac{1}{2}$), 28 (within W $\frac{1}{2}$), 29 (within SE $\frac{1}{4}$ SE $\frac{1}{4}$), and 33 (within W $\frac{1}{2}$ NW $\frac{1}{4}$ and S $\frac{1}{2}$), Township 43 South, Range 2 East, SLB&M; and Sections 3 (within W $\frac{1}{2}$) and 4 (within NE $\frac{1}{4}$ NE $\frac{1}{4}$ NE $\frac{1}{4}$), Township 44 South, Range 2 East, SLB&M. The location of such access road may be modified at the Trust Lands Administration's discretion. Any improvements or maintenance to be performed on such roads shall be made only after obtaining written permission from the Trust Lands Administration and shall be at no cost to the Trust Lands Administration. The Trust Lands Administration does not represent or warrant that access across federal or private land, to the extent it may be required, is available. The Trust Lands Administration does not covenant to obtain such access for the lessee.

PROPOSED ACTION:

Issue a 20-year lease for a communications site for one cellular telephone tower and facility.

RELEVANT FACTUAL BACKGROUND:

The applicant has applied for a telecommunications lease. The proposal is to construct and operate one cellular communication facility. The facility includes one self-support lattice tower with an estimated height of 199 feet, along with the related antennas, receivers, radio equipment, and other equipment required to operate and maintain the facility. The equipment is to be housed in protective cabinets provided by the applicant. The primary purpose of the lease is to improve cellular telephone and related data coverage and emergency response in Kane County and a portion of the Lake Powell area. Other secondary telecommunication uses may be allowed, requiring prior written approval and the payment of additional rentals.

EVALUATION OF FACTS:

The proposed use for a telecommunication site is exempt from the competitive advertising requirements of R850-30-500(2).

Staff is recommending an amount of \$7,200.00 per year as the beginning annual base lease rental for the first five-year period. Effective December 1, 2013, the annual base rental shall be adjusted as per provisions of the lease agreement. Any potential future sublease rentals shall be adjusted at the time additional wireless tenants co-locate on the site, and the base rental shall be adjusted when the lease is reviewed at the end of each five-year period. Pursuant to R850-30-400, a review of comparable lease rates was conducted. The beginning rental for a communication site of this type located in a rural area in Kane County area is within the range consistent with market value. Additional rentals will be charged for additional wireless uses subject to the terms of the lease. Any other use is subject to prior written approval and additional rents.

The difference in the fair market value of the subject parcel and surrounding lands valued as raw lands vs. the highest and best use return as a communication site is significant. The revenue from the proposed use is far greater than any other return from the basic raw land value of the parcel. It is nearly certain that the return per acre for the parcel as a communication site will always significantly exceed the fair market value rental of the subject property for other surface uses. The current estimated raw land value of the subject parcel ranges from about \$500.00 to \$1,000.00 per acre. Given the current prime interest rate, a fair market value on raw land would require a per acre rental return of about \$35.00 per acre. Comparatively, the initial per acre revenue from the communication site lease shall be approximately \$20,000.00 per acre. It could exceed that amount depending on the number of potential sublessees that may co-locate on the site. In any event, it is extremely unlikely that any other use would ever exceed the projected communication site revenues per acre returned for the site during the 20-year lease period.

SPECIAL USE LEASE NO. 1597 (APPROVAL) (CONTINUED)

The existing site was exempt from review by the Resource Development Coordinating Committee ("RDCC"). The lease proposal on this site was reviewed by the Association of Governments and with Kane County. It is located within 1500 feet of two other existing communication towers and sites, also on trust lands. Notice was given to these operators with no responses.

The applicant contracted for a cultural resource survey, which was completed for the site and the short access road and utility hookup during the application period by an approved contractor, with a finding of "no effect." Cultural resource compliance has been completed.

The proposed site was submitted to the Kane County Commissioners. There were no adverse comments received. The applicant is obtaining a building permit from Kane County and the Federal Communications Commission ("FCC") for permitting and construction of the site subject to approval of the lease from the Trust Lands Administration. Notices were also sent to the two nearby communication site users which currently operate two communication towers.

The proposed term of the lease is 20 years, which is consistent with the normal maximum term for telecommunication site leases, as provided for in R850-30-200(3)(d).

This action is not considered substantive and does not warrant the time and expense necessary to complete a full narrative record of decision. Therefore, this summary will constitute the record of decision.

Upon recommendation of Mr. Gary Bagley, the Director approved SULA 1597 for a 20-year term with a beginning date of December 1, 2008, and an expiration date of November 30, 2028, and the beginning annual base rental being \$7,200.00 for the first five-year period of the lease. The lease contains a five-year review clause, with the next review date being December 1, 2013. The rental adjustments shall be established pursuant to provisions of the lease agreement. Any subleasing shall require prior written approval and additional rentals.

SPECIAL USE LEASE AGREEMENT NO. 1494 (REPORTING OF SUBLEASE #1)

Special Use Lease No. 1494 is a telecommunication tower site lease issued to WWC Holding Company c/o Alltel Communication LLC, Attn. Property Management Department, P.O. Box 2177, Little Rock AR 72202-2177.

The purpose of the sublease is for the co-location of cellular telephone communications antennas and equipment for the operation of the UBET Wireless' cellular telephone system in the Uintah Basin. This site is intended to fill in coverage gaps along the highway and portions of the Ouray area.

The site includes existing improvements and no additional ground disturbance will occur. The proposed use is compatible with the existing lessee. The practice of co-location and subleasing is encouraged, with prior authorization, by the Trust Lands Administration because it benefits the Trust Beneficiary with additional sublease rents.

Provisions of the lease agreement allow the lessee to co-locate the sublessee without additional permission, but with notice given to the Trust Lands Administration and payment of the required sublease rentals. The beginning annual sublease rental for Sublease #1 is set forth in the lease agreement, and shall initially be \$1,800.00 per year. The lease agreement also contains the sublease rental and future rental adjustment information. The sublease rental is in addition to the lessee's annual base rental for lessee's communication site facility, which is the primary use allowed by the lease. The annual sublease payment date shall be July 1 of each year billed, paid at the beginning of the lease year (July 1 – June 30). It will be included on the courtesy billing to coincide with the annual base rental of the primary lease, but itemized as an

SPECIAL USE LEASE AGREEMENT NO. 1494 (REPORTING OF SUBLEASE #1) (CONTINUED)

additional sublease rental. The effective beginning date of this sublease is September 1, 2008. The appropriate sublease rental amount of \$1,500.00 has been submitted for the first ten month (partial year) period. The annual sublease rental of \$1,800.00 for the period of July 1, 2009, through June 30, 2010, shall be due July 1, 2009. Thereafter, the annual sublease rental shall be adjusted pursuant to the terms of the lease agreement with the next adjustment on July 1, 2010, and every three years thereafter. The expiration date is June 30, 2025, or upon an earlier termination of SULA 1494. The subject property is in Uintah County. School Fund.

This item was submitted by Mr. Gary Bagley for record-keeping purposes.

SPECIAL USE LEASE AGREEMENT NO. 1142 (RECLAMATION BOND)

Pursuant to Paragraph 14 of the lease agreement, ConocoPhillips Company, Property Maintenance 530-A POB, Bartlesville, OK 74004, has submitted Corporate Surety Bond No. 105112437. The bonding company is Travelers Casualty and Surety Company of America, c/o March USA Inc., P.O. Box 36012, Knoxville, TN 37930-6012. The reclamation bond is for \$5,000.00 and will remain in full force and effect until released by the Trust Lands Administration. Carbon County. School Fund.

Upon recommendation of Mr. Kurt Higgins, the Director accepted the bond submitted for SULA 1142.

SPECIAL USE LEASE AGREEMENT NO. 339 (FIVE-YEAR REVIEW)

SULA 339 is a telecommunications lease issued to Radio Communications Service, Attn. Chris Killpack, 599 South State, Orem, UT 84057-6303. The lease site is located in Utah County. School Fund.

1. **ANNUAL BASE RENTAL:**

The five-year lease rental review date for this telecommunication lease is January 1, 2009. The subject property is used for the purpose of a radio communication site with the primary use as mobile radio. The lease agreement provides for periodic increases in the annual base rental amount. Pursuant to a review of the lease, it is recommended that the annual base rental be increased from \$4,800.00 per year to \$5,630.00 per year, effective January 1, 2009. A certified notice was sent to inform the lessee of this action. The lessee responded with a written request to not increase the lease more than the CPI inflationary adjustment because his business and revenue have been reduced due primarily to a significant decrease in mobile radio business, his primary rental source. More users are going to cellular phones and away from mobile radio. He indicated that a larger increase may make it difficult for him to stay in business.

Subleasing: Any subleasing revenue assessed is in addition to the annual base rental amounts discussed above. There is only one sublease, which currently yields a sublease rental to SITLA in the amount of \$200.00 per year.

Preliminary Estimate of Land Value: \$1,840.00 (Based on \$2,000.00 per acre)

New Annual Base Rental Amount: \$5,630.00

Acres in Lease: 0.92

Rental Amount / Acre: \$6,120.00 (without sublease)

Rental Amount / Acre: \$6,337.00 (with sublease)

The existing communication lease site is considered the highest and best use of a small parcel of this type of land. The difference in the fair market value of the subject parcel and the surrounding lands valued as raw lands vs. the highest and best use return as a communication site is significant.

SPECIAL USE LEASE AGREEMENT NO. 339 (FIVE-YEAR REVIEW) (CONTINUED)

2. DUE DILIGENCE AND PROPER USE:
The development allowed by the lease has occurred. It is recommended that the lease be kept in force. The leased premises are being used in accordance with the lease agreement.
3. ADEQUATE INSURANCE AND BOND COVERAGE:
There is no provision for insurance or bond on this older special use lease agreement.
4. ESTABLISHMENT OF WATER RIGHTS:
There are no water rights associated with this lease.
5. POLLUTION AND SANITATION REGULATIONS:
The Trust Lands Administration is unaware of any violations of valid sanitation and pollution regulations as prescribed by any governmental agency having jurisdiction. There is no evidence of underground storage tanks on the premises.
6. NEXT REVIEW DATE:
The next review date will be January 1, 2014.

Upon recommendation of Mr. Gary Bagley, the Director approved the five-year review for SULA 339.

SPECIAL USE LEASE AGREEMENT NO. 589 (FIVE-YEAR REVIEW)

SULA 589 is leased to the U.S. Department of Interior, P.O. Box 25486, Fish and Wildlife Service, Denver, CO 80225. This is a government lease for a wildlife refuge area in Uintah County. School Fund.

1. ANNUAL RENTAL:
The five-year review date for this lease is January 1, 2009. The subject property is used for a wildlife refuge area (Ouray National Wildlife Refuge). Based on an analysis of the lease rental pursuant to Board policy, it has been determined that an appraisal is not warranted. The CPI adjusted rental is greater than the preliminary market value rental estimate. Therefore, it is recommended that the CPI index be used to adjust the annual rental from \$6,000.00 per year to \$7,070.00 per year, effective January 1, 2009. A certified notice was sent to inform the lessee of the date of this action and the right to oppose and/or appeal the action. No response was received.

New lease fee: \$7,070.00
Acres in lease: 1,140.56
Rental per acre: \$6.20
2. DUE DILIGENCE:
The development allowed by the lease has occurred. It is recommended that the lease be kept in force.
3. PROPER USE:
The leased premises are being used in accordance with the lease agreement.
4. ADEQUATE INSURANCE AND BOND COVERAGE:
Neither insurance coverage nor a bond is presently required by the lease agreement.
5. ESTABLISHMENT OF WATER RIGHTS:
There are no water rights associated with this lease.

SPECIAL USE LEASE AGREEMENT NO. 589 (FIVE-YEAR REVIEW) (CONTINUED)

6. POLLUTION AND SANITATION REGULATIONS:

The Trust Lands Administration is unaware of any violations of valid sanitation and pollution regulations as prescribed by any governmental agency having jurisdiction. There is no evidence of underground storage tanks on the premises.

7. NEXT ASSESSMENT DATE:

The next assessment date will be January 1, 2014.

Upon recommendation of Mr. Lou Brown, the Director approved the five-year review for SULA 589.

SPECIAL USE LEASE AGREEMENT NO. 686 (THREE-YEAR REVIEW)

SULA 686 is leased to the Department of the Air Force, 388 RANS/RM, Attn. Joan Merrill, 5948 Southgate Ave., Hill AFB, UT 84056-5232. This is a government lease for a High Accuracy Multiple Object Tracking System in Millard County. School Fund.

1. ANNUAL RENTAL:

The three-year review date for this lease is January 1, 2009. The subject property is used for a High Accuracy Multiple Object Tracking System ("HAMOTS SITE"). Based on an analysis of the lease rental pursuant to Board policy, it has been determined that an appraisal is not warranted. The CPI adjusted rental is greater than the preliminary market value rental estimate. Therefore, it is recommended that the CPI index be used to adjust the annual rental from \$950.00 per year to \$1,100.00 per year, effective January 1, 2009. A certified notice was sent to inform the lessee of the date of this action and the right to oppose and/or appeal the action. No response was received.

New lease fee: \$1,100.00

Acres in lease: 5.00

Rental per acre: \$220.00

2. DUE DILIGENCE:

The development allowed by the lease has occurred. It is recommended that the lease be kept in force.

3. PROPER USE:

The leased premises are being used in accordance with the lease agreement.

4. ADEQUATE INSURANCE AND BOND COVERAGE:

Neither insurance coverage nor a bond is presently required by the lease agreement.

5. ESTABLISHMENT OF WATER RIGHTS:

There are no water rights associated with this lease.

6. POLLUTION AND SANITATION REGULATIONS:

The Trust Lands Administration is unaware of any violations of valid sanitation and pollution regulations as prescribed by any governmental agency having jurisdiction. There is no evidence of underground storage tanks on the premises.

7. NEXT ASSESSMENT DATE:

The next assessment date will be January 1, 2012.

Upon recommendation of Mr. Lou Brown, the Director approved the three-year review for SULA 686.

SPECIAL USE LEASE AGREEMENT NO. 998 (FIVE-YEAR REVIEW)

SULA 998 is a telecommunications lease issued to Roberts Broadcasting Company of Utah, Inc., Attn. Lease Administration, 1408 North Kings Highway, St. Louis, MO 63113. The lease site is located in Utah County. School Fund.

1. **ANNUAL BASE RENTAL:**

The five-year lease rental review date for this telecommunication lease is January 1, 2009. The subject property is used for a television broadcast transmission tower and facility on the Lake Mountain site. The lease agreement provides for periodic increases in the annual base rental amount. To determine an updated fair market value, an evaluation of comparable leases for the same purpose and type of area was conducted. Pursuant to the results of that review, it is recommended that the annual base rental be increased from \$26,150.00 per year to \$36,000.00 per year, effective January 1, 2009. A certified notice was sent to inform the lessee of this action. The lessee responded with a concern about the amount of the rental increase. Staff responded that the base rental had not been increased for five years and it would remain this new amount for five more years, until the expiration of the lease.

Subleasing: Any subleasing revenue assessed is in addition to the annual base rental amounts discussed above. The subleasing revenue share on this lease is 35% of gross sublease revenue.

Preliminary Estimate of Land Value: \$3,000.00 (Based on \$2,000.00 per acre raw value)

New Annual Base Rental Amount: \$36,000.00

Acres in Lease: 1.50

Rental Amount / Acre: \$24,000.00

The existing communication lease site is considered the highest and best use of a small parcel of this type of land. The difference in the fair market value of the subject parcel and the surrounding lands valued as raw lands vs. the highest and best use return as a communication site is significant.

2. **DUE DILIGENCE AND PROPER USE:**

The development allowed by the lease has occurred. It is recommended that the lease be kept in force. The leased premises are being used in accordance with the lease agreement.

3. **ADEQUATE INSURANCE AND BOND COVERAGE:**

Insurance coverage is current and adequate for the lease agreement. The lease provides for a bond. Although no bond has been previously requested, staff is in the process of requesting a bond from the lessee, which will likely be in place within 60 days.

4. **ESTABLISHMENT OF WATER RIGHTS:**

There are no water rights associated with this lease.

5. **POLLUTION AND SANITATION REGULATIONS:**

The Trust Lands Administration is unaware of any violations of valid sanitation and pollution regulations as prescribed by any governmental agency having jurisdiction. There is no evidence of underground storage tanks on the premises.

6. **NEXT REVIEW DATE:**

The next review date will be December 31, 2013, which is the expiration date of the lease. The lessee will be notified one year prior to expiration to be able to prepare to apply for a new replacement lease.

Upon recommendation of Mr. Gary Bagley, the Director approved the five-year review for SULA 998.

SPECIAL USE LEASE AGREEMENT NO. 1282 (THREE-YEAR REVIEW)

SULA 1282 is a telecommunications lease issued to Pinnacle Towers, Inc., 301 North Cattleman Road 3rd Floor, Sarasota, FL 34232. The lease site is located in Utah County. School Fund.

1. **ANNUAL BASE RENTAL:**

The three-year lease rental review date for this telecommunication lease is January 1, 2009. The subject property is used for a communication facility for mobile radio uses on Lake Mountain. The lease agreement provides for periodic increases in the annual base rental amount. Pursuant to the use of the consumer price index inflationary adjustment, it is recommended that the annual base rental be increased from \$6,000.00 per year to \$ 6,520.00 per year, effective January 1, 2009. A certified notice was sent to inform the lessee of this action. No response was received.

Preliminary Estimate of Land Value: \$460.00 (Based on \$2,000.00 per acre)

New Annual Base Rental Amount: \$6,520.00

Acres in Lease: 0.23

Rental Amount / Acre: \$28,347.00

The existing communication lease site is considered the highest and best use of a small parcel of this type of land. The difference in the fair market value of the subject parcel and the surrounding lands valued as raw lands vs. the highest and best use return as a communication site is significant.

2. **DUE DILIGENCE AND PROPER USE:**

The development allowed by the lease has occurred. It is recommended that the lease be kept in force. The leased premises are being used in accordance with the lease agreement.

3. **ADEQUATE INSURANCE AND BOND COVERAGE:**

Insurance coverage is current and adequate for the lease agreement. The lease provides for a bond. The Trust Lands Administration has not previously required a bond, but is in the process of requesting a reclamation bond at the present time.

4. **ESTABLISHMENT OF WATER RIGHTS:**

There are no water rights associated with this lease.

5. **POLLUTION AND SANITATION REGULATIONS:**

The Trust Lands Administration is unaware of any violations of valid sanitation and pollution regulations as prescribed by any governmental agency having jurisdiction. There is no evidence of underground storage tanks on the premises.

6. **NEXT REVIEW DATE:**

The next review date will be January 1, 2012.

Upon recommendation of Mr. Gary Bagley, the Director approved the three-year review for SULA 1282.

SPECIAL USE LEASE AGREEMENT NO. 1353 (FIVE-YEAR REVIEW)

SULA 1353 is leased to the University of Utah, Department of Physics, James Fletcher Building, Room 201, 115 South 1400 East, Salt Lake City, UT 84112-0830. This is a government lease for the purpose of a telescope array to be used in conjunction with a high energy cosmic ray research project in Millard County. School Fund.

1. **ANNUAL RENTAL:**

The five-year review date for this lease is February 1, 2009. The subject property is used for a telescope array to be used in conjunction with high energy cosmic ray research project. Based on an analysis of the lease rental pursuant to Board policy, it has been determined that an appraisal is not warranted. The CPI adjusted rental is greater than the preliminary market value rental estimate. Therefore, it is recommended that the CPI index be used to adjust the annual rental from \$990.00 per year to \$1,200.00 per year effective February 1, 2009. A certified notice was sent to inform the lessee of the date of this action and the right to oppose and/or appeal the action. No response was received.

New lease fee: \$1,220.00

Acres in lease: 120.00

Rental per acre: \$10.17

2. **DUE DILIGENCE:**

The development allowed by the lease has occurred. It is recommended that the lease be kept in force.

3. **PROPER USE:**

The leased premises are being used in accordance with the lease agreement.

4. **ADEQUATE INSURANCE AND BOND COVERAGE:**

The lessee is insured under the State of Utah Risk Management, which covers liability on this lease. The lease allows for a bond to be required any time during the lease at the discretion of the Agency. It has been determined that a bond is not required at this time.

5. **ESTABLISHMENT OF WATER RIGHTS:**

There are no water rights associated with this lease.

6. **POLLUTION AND SANITATION REGULATIONS:**

The Trust Lands Administration is unaware of any violations of valid sanitation and pollution regulations as prescribed by any governmental agency having jurisdiction. There is no evidence of underground storage tanks on the premises.

7. **NEXT ASSESSMENT DATE:**

The next assessment date will be February 1, 2014.

Upon recommendation of Mr. Lou Brown, the Director approved the five-year review for SULA 1353.

SALES**PRE SALE NO. 7933 (APPLICATION CANCELLATION)**

The above-numbered sale application was filed by Richard Hawthorne, P.O. Box 601, Escalante, UT 84726, on March 15, 2002. This application was processed to the point that it was ready to come to auction. The Agency then began working on a planning process for all of our holdings in this area, which included this parcel, and the processing of this application was suspended. Staff has attempted to contact the applicant to assess his continued interest in this application but have been unsuccessful. A determination has been made to cancel this application to remove it from the suspense account, and because there appears to be no viable applicant. The \$100.00 application fee and \$100.00 advertising deposit should be forfeited to the Trust Lands Administration.

Upon recommendation of Mr. Lou Brown, the Director canceled PS 7933 and ordered the forfeiture of the application and advertising fees.

DEVELOPMENT ACTIONS

EASEMENT - CITY OF ST. GEORGE – SOUTH BLOCK RE-USE WATER LINE (ESMT 1335)

THE FOLLOWING EASEMENT HAS BEEN EXECUTED:

EASEMENT NO.:	1335
PROJECT:	South Block
PROJECT CODE:	SOBLK 001 00
PROJECT MANAGER:	Brent Bluth
COUNTY:	Washington
FUND:	School
DURATION:	Perpetual

PERMITTEE:

ST. GEORGE CITY
175 East 200 North
St. George, UT 84770

DESCRIPTION OF TRANSACTION:

The Trust Lands Administration (the "Trust") has issued a perpetual easement to the City of St. George for the installation, operation, maintenance, repair, and replacement of an underground re-use water line. The water provided by the water line will serve the immediately developable land within the South Block. Additionally, the construction of major infrastructure in the South Block will substantially increase the value of the Trust's land and contributes to the grounding of the South Block as prime development property. The total cost of the infrastructure borne by St. George City and UDOT far outweighs the cost of the land the Trust is contributing; furthermore, the improvement will be available for the Trust's use when it is ready to develop its surrounding land in the South Block. Therefore, providing this right of entry, free of charge, will become a sizable portion of the Trust's participation in the infrastructure costs of the South Block as it develops in the future. Additional supporting information is available in the Planning and Development file.

LEGAL DESCRIPTION:

Township 43 South, Range 15 West, SLB&M
Sections 31 & 32: Within

EASEMENT - CITY OF ST. GEORGE – SOUTH BLOCK RE-USE WATER LINE (ESMT 1335) (CONTINUED)

A Strip of land 20.00 feet in width, being 10 foot left and right of the described centerline, to be used as a Re-use Water Line Easement, located within Sections 25 and 36, Township 43 South, Range 16 West, and Sections 31 and 32, Township 43 South, Range 15 West, Salt Lake Base & Meridian, Washington County, State of Utah, the Centerline being more particularly described as follows:

Beginning at the point which is North 88°52'54" West 661.22 feet along the South Section line and North 00°00'00" East 125.56 feet from the Southeast Corner of Section 25, Township 43 South, Range 16 West, Salt Lake Base & Meridian, said point being on the centerline of a 20 foot wide Re-use Water Line Easement; thence along the said centerline South 32°59'42" East 188.11 feet to a point on the arc of a 7040.00 foot radius curve concave to the left, the radius point of which bears North 53°44'06" East; thence Southeasterly along the arc of said curve 427.87 feet through a central angle of 3°28'56" to the point of non-tangency; thence South 38°14'26" East 167.95 feet to the point of curvature of a 3835.00 foot radius curve concave to the left; thence Southeasterly 685.06 feet along the arc of said curve through a central angle of 10°14'06" to the point of tangency; thence South 48°28'32" East 307.24 feet; thence South 50°18'00" East 137.24 feet; thence South 50°53'21" East 399.10 feet; thence South 52°18'37" East 141.85 feet to the point of curvature of a 2490.00 foot radius curve concave to the left; thence Southeasterly 393.96 feet along the arc of said curve through a central angle of 9°03'54" to the point of tangency; thence South 61°22'31" East 359.97 feet; thence South 63°32'08" East 647.28 feet to the point of curvature of a 5290.00 foot radius curve concave to the left; thence Southeasterly 1000.08 feet along the arc of said curve through a central angle of 10°49'54" to the point of compound curvature of a 6675.00 foot radius curve concave to the left, the radius point of which bears North 15°37'58" East; thence Southeasterly 796.39 feet along the arc of said curve through a central angle of 6°50'09" to the point of non-tangency; thence North 82°06'27" East 42.57 feet; thence South 79°20'40" East 269.72 feet to the point of curvature of an 1800.00 foot radius curve concave to the left; thence Southeasterly along the arc of said curve 290.34 feet through a central angle of 9°14'30" to the point of tangency; thence South 88°35'10" East 416.04 feet; thence North 89°48'51" East 265.88 feet to the point of curvature of a 2510.00 foot radius curve concave to the right; thence Southeasterly 124.85 feet along the arc of said curve through a central angle of 2°51'00" to the point of tangency; thence South 87°20'09" East 171.22 feet to the point of curvature of a 4990.00 foot radius curve concave to the left; thence Southeasterly 215.61 feet along the arc of said curve through a central angle of 2°28'33" to the point of tangency; thence South 89°48'42" East 592.94 feet to the point of curvature of a 2500.00 foot radius curve concave to the left; thence Northeasterly 98.03 feet along the arc of said curve through a central angle of 2°14'48" to the point of tangency; thence North 87°56'30" East 388.16 feet; thence North 83°50'44" East 116.48 feet; thence North 74°27'33" East 192.60 feet; thence North 79°30'28" East 190.49 feet; thence South 88°14'00" East 142.84 feet to the Westerly Right-of-Way of River Road Extension Recorded on October 18, 2007, as Document No. 20070050838 in the office of the Washington County Recorder, in said county, State of Utah, said point also being the point of terminus. The side lines of said 20 foot Re-use Water Line Easement to be extended or shortened to meet at angle points and to terminate at boundary.

Contains 3.73 acres of the above 4.21 described acres, more or less.

Township 43 South, Range 16 West, SLB&M
Sections 25 & 36: Within

Beginning at the point which is North 88°52'54" West 661.22 feet along the South Section line and North 00°00'00" East 125.56 feet from the Southeast Corner of Section 25, Township 43 South, Range 16 West, Salt Lake Base & Meridian, said point being on the centerline of a 20 foot wide Re-use Water Line Easement; thence along the said centerline South 32°59'42" East 188.11 feet to a point on the arc of a 7040.00 foot radius curve

EASEMENT - CITY OF ST. GEORGE – SOUTH BLOCK RE-USE WATER LINE (ESMT 1335) (CONTINUED)

concave to the left, the radius point of which bears North 53°44'06" East; thence Southeasterly along the arc of said curve 427.87 feet through a central angle of 3°28'56" to the point of non-tangency; thence South 38°14'26" East 167.95 feet to the point of curvature of a 3835.00 foot radius curve concave to the left; thence Southeasterly 685.06 feet along the arc of said curve through a central angle of 10°14'06" to the point of tangency; thence South 48°28'32" East 307.24 feet; thence South 50°18'00" East 137.24 feet; thence South 50°53'21" East 399.10 feet; thence South 52°18'37" East 141.85 feet to the point of curvature of a 2490.00 foot radius curve concave to the left; thence Southeasterly 393.96 feet along the arc of said curve through a central angle of 9°03'54" to the point of tangency; thence South 61°22'31" East 359.97 feet; thence South 63°32'08" East 647.28 feet to the point of curvature of a 5290.00 foot radius curve concave to the left; thence Southeasterly 1000.08 feet along the arc of said curve through a central angle of 10°49'54" to the point of compound curvature of a 6675.00 foot radius curve concave to the left, the radius point of which bears North 15°37'58" East; thence Southeasterly 796.39 feet along the arc of said curve through a central angle of 6°50'09" to the point of non-tangency; thence North 82°06'27" East 42.57 feet; thence South 79°20'40" East 269.72 feet to the point of curvature of an 1800.00 foot radius curve concave to the left; thence Southeasterly along the arc of said curve 290.34 feet through a central angle of 9°14'30" to the point of tangency; thence South 88°35'10" East 416.04 feet; thence North 89°48'51" East 265.88 feet to the point of curvature of a 2510.00 foot radius curve concave to the right; thence Southeasterly 124.85 feet along the arc of said curve through a central angle of 2°51'00" to the point of tangency; thence South 87°20'09" East 171.22 feet to the point of curvature of a 4990.00 foot radius curve concave to the left; thence Southeasterly 215.61 feet along the arc of said curve through a central angle of 2°28'33" to the point of tangency; thence South 89°48'42" East 592.94 feet to the point of curvature of a 2500.00 foot radius curve concave to the left; thence Northeasterly 98.03 feet along the arc of said curve through a central angle of 2°14'48" to the point of tangency; thence North 87°56'30" East 388.16 feet; thence North 83°50'44" East 116.48 feet; thence North 74°27'33" East 192.60 feet; thence North 79°30'28" East 190.49 feet; thence South 88°14'00" East 142.84 feet to the Westerly Right-of-Way of River Road Extension Recorded on October 18, 2007, as Document No. 20070050838 in the office of the Washington County Recorder, in said county, State of Utah, said point also being the point of terminus. The side lines of said 20 foot Re-use Water Line Easement to be extended or shortened to meet at angle points and to terminate at boundary.

Contains 0.48 acre of the above 4.21 described acres, more or less.

Township 43 South, Range 16 West, SLB&M
Sections 24, 25, & 36: Within

A Strip of land 20.00 feet in width, being 10 foot left and right of the described centerline, to be used as a re-use water line easement, located within Sections 24, 25, and 36, Township 43 South, Range 16 West, Salt Lake Base & Meridian, Washington County, State of Utah, the Centerline being more particularly described as follows:

Beginning at the point which is North 01°16'50" East 1097.93 feet along the Center Section line and North 90°00'00" West 1890.86 feet from the South Quarter Corner of Section 24, Township 43 South, Range 16 West, Salt Lake Base & Meridian, said point being on the centerline of a 20 foot wide Re-Use Water Line Easement; thence along the said centerline South 29°03'41" East 112.40 feet; thence South 26°41'53" West 183.85 feet; thence South 31°40'30" West 202.86 feet; thence South 23°18'22" East 939.41 feet; thence South 24°00'57" East 224.51 feet; thence South 26°36'00" East 641.23 feet; thence South 27°39'31" East 479.25 feet to the point of curvature of a 2,000.00 foot radius curve concave to the left; thence Southeasterly 347.40 feet along the arc of said curve through a central angle of 9°57'08" to the point of tangency; thence South 37°36'40" East 302.65 feet;

EASEMENT - CITY OF ST. GEORGE – SOUTH BLOCK RE-USE WATER LINE (ESMT 1335) (CONTINUED)

thence South 37°56'28" East 803.69 feet; thence South 38°06'03" East 230.50 feet; thence South 39°20'49" East 289.98 feet; thence South 37°06'51" East 194.79 feet; thence South 32°38'56" East 194.79 feet; thence South 30°24'58" East 2107.43 feet; thence South 32°51'01" East 295.33 feet; thence North 57°01'20" East 312.48, said point also being the point of terminus.

Contains 3.61 acres, more or less.

CONTAINS 7.82 TOTAL ACRES, MORE OR LESS.

NUMBER OF ACRES BY COUNTY: 7.82 acres - Washington County

NUMBER OF ACRES BY FUND: 7.82 acres - School

Upon recommendation of Andrea L. James, the Director approved and granted ESMT 1335.

PRICE HILLS DRIVE ROAD DEDICATION (DEVL 883)

PROJECT:	Hidden Valley
PROJECT CODE:	HIDVL 000 00
	School
DATE OF RECORDING:	May 22, 2007
PLAT DEDICATION NO.:	174

CONVEYANCE TO:

St. George City
175 East 200 North
St. George, UT 84770

LEGAL DESCRIPTION:

Township 43 South, Range 15 West, SLB&M
Section 18:

A portion of the Southeast ¼ of Section 7 and the Northeast ¼ of Section 18, Township 43 South, Range 15 West, Salt Lake Base and Meridian, more particularly described as follows:

Commencing at the Northeast Corner of Said Section 18; Thence North 88°51'13" West 1103.94 feet along the section line to the Point of Beginning to a point on a 30.00 foot radius curve to the right, the radius point of which bears South 80°35'04" East; Thence Northeasterly 29.64 feet along the arc of said curve through a central angle of 56°36'16" to the point of cusp, said point also being on the southerly line of Hidden Valley Drive Recorded #895713, Washington County Official Records; Thence South 66°01'13" West 32.93 feet along the southerly line; Thence North 23°58'48" West 80.00 feet along said southerly line; Thence South 66°01'13" West 93.07 feet; Thence South 23°58'48" East 80.00 feet to a point on a 30.00 foot radius non-tangent curve to the right, the radius point of which bears South 23°58'48" East; Thence Southeasterly, 47.12 feet along the arc of said curve through a central angle of 90°00'00"; Thence South 23°58'48" East 106.25 feet to the point of a 1633.00 foot radius curve to the left; Thence southerly 459.61 feet along the arc of said curve through a central angle of 16°07'34"; Thence South 37°30'21" East 29.04 feet to a point on the northwesterly line of Desert Hills

PRICE HILLS DRIVE ROAD DEDICATION (DEVL 883) (CONTINUED)

Subdivision Phase I-A Recorded # 723364; Thence North 47°34'45" East 64.37 feet along said northwesterly line to a point of a 25.00 foot radius non-tangent curve to the left, the radius point of which bears North 49°53'38" East; Thence Easterly 40.58 feet along the arc of said curve and said northwesterly line, through a central angle of 93°00'48"; Thence North 46°52'50" East 3.00 feet along said northwesterly line, to the point of cusp with a 25.00 foot radius curve to the right the radius point of which bears North 43°07'10" West; Thence Westerly 40.58 feet along the arc of said curve through a central angle of 93°00'48"; Thence North 40°06'22" West 26.24 feet to the point of a 1567.00 foot radius curve to the right; Thence Northerly 441.04 feet along the arc of said curve through a central angle of 16°07'34"; Thence North 23°58'48" West 106.25 feet to the point of a 30.00 foot radius curve to the right; Thence Northerly 17.49 feet along the arc of said curve through a central angle of 33°23'44" to the Point of Beginning. Containing 1.112 acres (only 0.59 acres within Section 18 is on land the Trust owned at the time of dedication), more or less.

NUMBER OF ACRES BY COUNTY: 0.59 acres – Washington County

NUMBER OF ACRES BY FUND: 0.59 acres – School

MINERAL RESERVATIONS:

Excepting and reserving to the State all coal, oil and gas, and other mineral deposits.

SURFACE RESERVATIONS:

None

Upon recommendation of Alexa Wilson, the Director approved the above item.

TELEGRAPH ROAD PHASE III ROAD DEDICATION (DEVL 888)

PROJECT:	Coral Canyon
PROJECT CODE:	SUNCR 000 00
	Miners Hospital
DATE OF RECORDING:	November 19, 2004
PLAT DEDICATION NO.:	179

CONVEYANCE TO:

Washington City
111 North 100 East
Washington, UT 84780

LEGAL DESCRIPTION:

Township 42 South, Range 14 West, SLB&M
Sections 5 and 8:

Beginning at a point which is North 01°21'51" East 775.88 feet along the West section line and North 90°00'00" East 356.22 feet from the Southwest corner of Section 8, Township 42 South, Range 14 West, of the Salt Lake Base and Meridian, and running thence along Telegraph Road Phase II East Boundary line North 23°20'45" West 45.00 feet; thence North 66°39'15" East 309.10 feet to the point of curvature of a 1103.30 foot radius curve concave to the Northwest; thence Northeasterly 421.04 feet along the arc of said curve through a central angle of

TELEGRAPH ROAD PHASE III ROAD DEDICATION (DEVL 888) (CONTINUED)

21°51'55" to the point of tangency; thence North 44°47'20" East 1220.68 feet to the point of curvature of a 1193.29 foot radius curve concave to the Southeast; thence Northeasterly 304.04 feet along the arc of said curve through a central angle of 14°35'54" to the point of tangency; thence North 59°23'14" East 394.26 feet; thence North 30°36'46" West 15.00 feet along a radial line to a point on the arc of a 940.65 foot radius curve concave to the Northwest; thence Northeasterly 652.32 feet along the arc of said curve through a central angle of 39°43'59" to the point of tangency; thence North 19°39'15" East 231.03 feet to the point of curvature of a 1864.46 foot radius curve concave to the Southeast; thence Northeasterly 1028.70 feet along the arc of said curve through a central angle of 31°36'45" to the point of tangency; thence North 51°16'00" East 694.36 feet to the point of curvature of a 3220.00 foot radius curve concave to the Northwest; thence Northeasterly 670.00 feet along the arc of said curve through a central angle of 11°55'18" to the point of tangency; thence North 39°20'472" East 192.49 feet; thence South 50°39'18" East 120.00 feet; thence South 39°20'42" West 182.49 feet to the point of curvature of a 3340.00 foot radius curve concave to the Northwest; thence Southwesterly 694.96 feet along the arc of said curve through a central angle of 11°55'18" to the point of tangency; thence South 51°16'00" West 694.36 feet to the point of curvature of a 1744.46 foot radius curve concave to the Southeast; thence Southwesterly 962.49 feet along the arc of said curve through a central angle of 31°36'45" to the point of tangency; thence South 19°39'35" West 231.03 feet to the point of curvature of a 1060.65 foot radius curve concave to the Northwest; thence Southwesterly 735.53 feet along the arc of said curve through a central angle of 39°43'59" to the point of tangency; thence South 59°23'14" West 394.26 feet to the point of curvature of a 1088.29 foot radius curve concave to the Southeast; thence Southwesterly 277.28 feet along the arc of said curve through a central angle of 14°35'54" to the point of tangency; thence South 44°47'20" West 1220.68 feet to the point of curvature of a 1208.30 foot radius curve concave to the Northwest; thence Southwesterly 461.11 feet along the arc of said curve through a central angle of 21°51'55" to the point of tangency; thence South 66°39'15" West 309.10 feet to said Telegraph Road Phase II Boundary Line; thence along said boundary line North 23°20'45" West feet to the point of beginning. Containing 16.02 acres (15.52 acres in Section 8 and 0.50 acres in Section 5), more or less.

NUMBER OF ACRES BY COUNTY: 16.02 acres – Washington County

NUMBER OF ACRES BY FUND: 16.02 acres – Miners Hospital

MINERAL RESERVATIONS:

Excepting and reserving to the State all coal, oil and gas, and other mineral deposits.

SURFACE RESERVATIONS:

None

Upon recommendation of Alexa Wilson, the Director approved the above item.

TELEGRAPH ROAD PHASE II ROAD DEDICATION (DEVL 887)

PROJECT: Coral Canyon
 PROJECT CODE: SUNCR 000 00
 Miners Hospital (19.42 %)
 School (80.58%)
 DATE OF RECORDING: November 19, 2004
 PLAT DEDICATION NO.: 178

CONVEYANCE TO:
 Washington City
 111 North 100 East
 Washington, UT 84780

LEGAL DESCRIPTION:

Township 42 South, Range 14 West, SLB&M
 Sections 7, 8, and 18

Township 42 South, Range 15 West, SLB&M
 Section 13

Beginning at a point which is North 89°89'49"11 West 2537.93 feet along the South section line and North 00°00'00" East 1980.27 feet from the Southeast Corner of Section 13, Township 42 South, Range 15 West, of the Salt Lake Base and Meridian, said point being on the South right-of-way line of Telegraph Road, and running North 04°37'00" West 200.00 feet; thence North 85°23'00" East 741.49 feet to the point of curvature of a 1766.48 foot radius curve concave to the Northwest; thence Northeasterly 1571.26 feet along the arc of said curve through a central angle of 50°23'36" to the point of tangency; thence North 34°59'24" East 528.62 feet to the point of curvature of a 953.02 foot radius curve concave to the Southeast; thence Northeasterly 351.84 feet along the arc of said curve through a central angle of 21°09'11" to a point from which the radius point bears South 33°51'25" East, said point also being a point on the line between said Section 13 and Section 18, Township 42 South, Range 14 West; continuing thence along said 953.02 foot radius curve, Northeasterly 330.90 feet along the arc of said curve through a central angle of 19°53'37" to the point of tangency; thence North 76°02'12" East 471.30 feet to the point of curvature of a 966.27 foot radius curve concave to the Northwest; thence Northeasterly 519.05 feet along the arc of said curve through a central angle of 30°46'40" to the point of tangency; thence North 45°15'33" East 212.75 feet; thence South 44°744'27" East 35.00 feet along a radial line to a point on the arc of a 918.02 foot radius curve concave to the Southeast; thence Northeasterly 598.52 feet along the arc of said curve through a central angle of 37°21'18" to the point of tangency; thence North 82°36'51" East 645.69 feet to the point of curvature of a 1247.33 foot radius curve concave to the Northwest; thence Northeasterly 311.83 feet along the arc of said curve through a central angle of 14°19'14" to the point of tangency; thence North 68°17'26" East 262.83 feet to the center section line of said Section 18; thence along said center section line North 01°30'23" East 38.08 feet; thence North 68°17'26" East 218.69 feet to the point of curvature of a 884.25 foot radius curve concave to the Northwest; thence Northeasterly 300.98 feet along the arc of said curve through a central angle of 19°30'08" to the point of tangency; thence North 48°47'18" East 259.47 feet to the point of curvature of a 1412.33 foot radius curve concave to the Southeast; thence Northeasterly 419.81 feet along the arc of said curve through a central angle of 17°01'52" to the point of tangency; thence North 65°49'11" East 115.02 feet to a point on the line between said Section 18, and Section 7, Township 42 South, Range 14 West; continuing thence North 65°49'11" East 840.53 feet; thence South 24°10'49" East 35.00 feet; thence North 65°49'11" East 594.72 feet to the point of curvature of a 9907.50 foot radius curve concave to the Southeast; thence Northeasterly 144.29 feet along the arc of said curve through a central angle of 00°50'04" to the point of tangency; thence North 66°39'15" East 124.77 feet to a point on the line between said Section 7 and Section 8, Township 42 South, Range 14 West; continuing

TELEGRAPH ROAD PHASE II ROAD DEDICATION (DEVL 887) (CONTINUED)

thence North 66°39'15" East 362.10 feet; thence South 23°20'45" East 130.00 feet; thence South 66°39'15" West 421.91 feet to a point on the line between said Section 8, and said Section 7; continuing thence South 66°39'18" West 64.95 feet to the point of curvature of a 9777.50 foot radius curve concave to the Southeast; thence Southwesterly 142.40 feet along the arc of said curve through a central angle of 00°50'04" to the point of tangency; thence 65°49'11" West 1084.99 feet to a point on the section line between said Section 7, and Section 18; thence along said section line South 88°57'23" East 82.13 feet; thence South 65°49'11" West 539.58 feet to the point of curvature of a 1212.33 foot radius curve concave to the Southeast; thence Southwesterly 360.36 feet along the arc of said curve through a central angle of 17°01'52" to the point of tangency; thence South 48°47'18" West 259.47 feet to the point of curvature of a 1084.25 foot radius curve concave to the Northwest; thence Southwesterly 369.05 feet along the arc of said curve through a central angle of 19°30'08" to the point of tangency; thence South 68°17'26" West 304.48 feet to the said section line of said Section 18; thence along said center section line North 01°30'23" East 38.08 feet; thence South 68°17'26" West 207.08 feet to the point of curvature of a 1377.33 foot radius curve concave to the Northwest; thence Southwesterly 344.32 feet along the arc of said curve through a central angle of 14°19'25" to the point of tangency; thence South 82°36'51" West 645.69 feet to the point of curvature of a 788.02 foot radius curve concave to the Southeast; thence Southwesterly 513.76 feet along the arc of said curve through a central angle of 37°21'18" to the point of tangency; thence South 45°15'33" West 212.75 feet; thence South 44°44'27" East 35.00 feet along a radial line to a point on the arc of a 1166.27 foot radius curve concave to the Northwest; thence Southwesterly 626.49 feet along the arc of said curve through a central angle of 30°46'40" to the point of tangency; thence South 76°02'12" West 471.30 feet to the point of curvature of a 753.02 foot radius curve concave to the Southeast; thence Southwesterly 411.88 feet along the arc of said curve through a central angle of 31°20'20" to a point from which the radius point bears South 45°18'08" East, said point also being a point on the line between said Section 18 and said Section 13; continuing thence along said 753.02 foot radius curve, Southwesterly 127.59 feet along the arc of said curve through a central angle of 09°42'29" to the point of tangency; thence South 34°59'24" West 528.62 feet to the point of curvature of a 1986.48 foot radius curve concave to the Northwest; thence Southwesterly 1747.17 feet along the arc of said curve through a central angle of 50°23'36" to the point of tangency; thence South 85°23'00" West 741.49 feet to the point of beginning. Less that portion located in the Northeast ¼ of Section 18, Township 42 South, Range 14 West, of the Salt Lake Base and Meridian; and the East Half of the Northeast Quarter of the Southeast Quarter (E½ of the NE¼ of the SE¼) and the Southeast Quarter of the Northwest Quarter of the Northeast Quarter of the Southeast Quarter (SE¼ of the NW¼ of the NE¼ of the SE¼) of Section 13, Township 42 South, Range 15 West, in the Salt Lake Base and Meridian. Contains 32.91 acres, more or less.

NUMBER OF ACRES BY COUNTY: 32.91 acres - Washington County

NUMBER OF ACRES BY FUND: 6.39 acres - Miners Hospital
26.52 acres - School

MINERAL RESERVATIONS:

Excepting and reserving to the State all coal, oil and gas, and other mineral deposits.

SURFACE RESERVATIONS:

None

Upon recommendation of Alexa Wilson, the Director approved the above item.

CORRECTION**DEVELOPMENT EXCHANGE NO. 316 - CITY OF CEDAR CITY**

IN THE DIRECTOR'S MINUTES OF JULY 25, 2008, PAGES 21 THROUGH 23, THE **BENEFICIARY** WAS REPORTED INCORRECTLY AND HAS BEEN CORRECTED AS SHOWN IN BOLD:

EXCHANGE NO.: 316
DATE OF TRANSACTION: April 18, 2006
PROJECT: Cross Hollow
PROJECT MANAGER: Rodger Mitchell
PROJECT CODE: CRSHL 001 00
FUND: **School 100%**
COUNTY: Iron
BOARD APPROVED: May 26, 2005
PATENT NO.: 19888
PATENT DATE: May 31, 2006
WARRANTY DEED NO. : 190
WARRANTY DEED DATE: April 13, 2006

EXCHANGE PARTNER:

CITY OF CEDAR CITY
10 North Main Street
Cedar City, Utah 84720

DESCRIPTION OF TRANSACTION:

Trust Lands Administration is the owner of approximately 1,494.664 acres. Approximately 3.996 acres of that land has been orphaned due to a livestock trail. The City of Cedar City also has orphaned land due to the livestock trail. The City's orphaned land equals 10.543 acres. The City currently holds a Recreation and Public Purpose Lease which contains an existing water storage tank on the Trust's land.

Development Exchange No. 316 states that the Trust will exchange the orphaned 3.996 acre parcel as well as the 0.918 acres of land housing the water storage tank. In addition to these parcels of land, the Trust, under Development Exchange No. 316, will also grant the City three easements over the Trust Lands Administration property for a water line, a livestock trail, and a road. In Exchange for the parcels and easements, the City will convey 10.543 acres of unimproved property to the Trust. The Trust's and City's contributions have been determined to be of equivalent value by appraisal by a third party, Morley and McConkie. Supporting data is located in Development files.

LANDS CONVEYED TO THE CITY OF CEDAR CITY:**LEGAL DESCRIPTION:**

Township 36 South, Range 11 West, SLB&M

Section 21: Within, as follows:

Tank Site

Beginning at a point S 1°09'20" E, 276.45 ft. along the section line and N 90°00'00" W, 3321.35 ft. from the East ¼ corner of Section 21, T36S, R11W, SLM; thence South, 200.00 ft.; thence West 200.00 ft.; thence North 200.00 ft.; thence East 200.00 ft. to the point of beginning.

Containing 0.918 acres of land **lying within School property.**

DEVELOPMENT EXCHANGE NO. 316 - CITY OF CEDAR CITY (CONTINUED)Trust Lands Exchange Parcel

Beginning at the Northeast corner of the NW¼ SE¼ of Section 21, T36S, R11W, SLM; said point of beginning also being S 89°27'51" W, 1328.23 ft. along the ¼ section line from the E ¼ corner of said Section 21; thence S 1°22'20" E 617.33 ft. along the 1/16 section line; thence N 65°53'24" W 569.56 ft.; thence N 56°10'42" E 286.69 ft.; thence N 19°36'51" E 236.92 ft.; thence N 89°27'51" E 187.39 ft. along the ¼ section line to the point of beginning.

Containing 3.996 acres of land lying within School property.

TOTAL NUMBER OF ACRES BEING CONVEYED: 4.914 acres

NUMBER OF ACRES BY COUNTY: 4.914 acres - Iron County

NUMBER OF ACRES BY FUND: **4.914 acres – School**

MINERAL LEASES GIVEN UP: None

SURFACE LEASES GIVEN UP: None

LIST MINERAL RESERVATIONS:

Excepting and reserving to the State of Utah all coal and other mineral deposits, along with the right for the State or other authorized persons to prospect for, mine, and remove the deposits.

LIST SURFACE RESERVATIONS:

Excepting and reserving to the State of Utah reasonable access across the property for the benefit of the lands administered by the Trust Lands Administration as such access is contemplated in that certain Master Plan or Alternate Master Plan described in Exchange 316, and providing that no access shall unreasonably hinder Cedar City's ability to develop Cedar City's land, and no access across the property for the benefit of the Trust Lands shall be installed, or developed without prior written consent from Cedar City; also,

Subject to any valid, existing rights of way of any kind and any right, interest, reservation or exception appearing of record, and subject also to all rights of way for ditches, tunnels, and telephone and transmission lines that have been or may be constructed by the United States as provided by Statute.

Subject to the covenants and restrictions of that certain Master Plan or Alternate Master Plan described in Exchange No. 316.

LANDS CONVEYED TO TRUST LANDS ADMINISTRATION:

LEGAL DESCRIPTION:

Township 36 South, Range 11 West, SLB&M
Section 21: Within, as follows:

DEVELOPMENT EXCHANGE NO. 316 - CITY OF CEDAR CITY (CONTINUED)City Parcel

Beginning at a point S 89°27'51" W 1328.23 ft. along the ¼ section line and S 1°22'20" E 678.26 ft. along the 1/16 section line from the East ¼ corner of Section 21, T36S, R11W, SLM; thence S 65°53'24" E 104.79 ft.; thence S 9°31'43" E 590.00 ft.; thence S 3°57'37" E 286.24 ft.; thence S 14°05'16" E 349.70 ft.; thence S 29°22'56" E 434.95 ft.; thence S 44°18'21" W 520.65 ft. to a point S 89°51'05" W 1218.23 ft. along the section line from the Southeast corner of Section 21; thence S 89°51'05" W 100.00 ft. along the section line; thence N 1°22'20" W 2001.83 ft. along the 1/16 section line to the point of beginning.

Containing 10.543 acres, more or less.

LIST MINERAL RESERVATIONS:

Excepting therefrom all oil, gas petroleum, naphtha hydrocarbons and other minerals, together with the right of ingress and egress for the purpose of exploring and/or removing the same.

NUMBER OF ACRES BY COUNTY: 10.543 acres - Iron County

NUMBER OF ACRES BY FUND: 10.543 acres - **School**

LIST MINERAL RESERVATIONS:

Excepting therefrom all oil, gas petroleum, naphtha hydrocarbons and other minerals, together with the right of ingress and egress for the purpose of exploring and/or removing the same.

This item was submitted by Alexa Wilson for record-keeping purposes.

ACTIONS CONTAINING FEE WAIVERS

SURFACE**SPECIAL USE LEASE AGREEMENT NO. 1462 – AMENDMENT NO. 1 (APPROVAL)**

Special Use Lease Agreement No. 1462 is an industrial lease issued to XTO Energy Inc., 810 Houston Street, Fort Worth, TX 76102. The lease site is located in Emery County. School Fund.

The lease was issued June 1, 2008, for a term of 20 years. The purpose of the lease is to construct, operate, and maintain a well pad site (Utah Federal 17-7-13-32D), which was directionally drilled into the adjacent Federal land. The disposal facility is located on State Lease No. ML 48194.

On the Director's Minutes dated July 25, 2008, SULA 1462 and SULA 1463 were combined, with the surviving lease being SULA 1462. At that time, a refund of fees amounting to \$950.00 (\$250.00 application fee and \$700.00 lease processing fee) for SULA 1463 was approved. The lease document for SULA 1462 was subsequently issued, but Paragraph 1 (Base Rental) included the \$950.00 refunded on the July 25 Minutes. The lessee has requested that the lease document be amended to show the correct amounts paid. The amended paragraphs will be as follows:

SPECIAL USE LEASE AGREEMENT NO. 1462 – AMENDMENT NO. 1 (APPROVAL) (CONTINUED)

1. Base Rental. Lessee shall pay annually in advance to Lessor, as rental for the Subject Property, the sum of \$7,500.00 (the "Base Rent") per well directionally drilled from the Subject Property on or before June 1 of each year during the Lease Term. This amount shall apply for the first five (5) year period of the Lease. Thereafter, the Base Rent may be adjusted pursuant to Paragraph 4 below. Lessor acknowledges the receipt of \$15,950.00, which is payment of the Base Rent for the first year of the Lease for Well #1 and Well #2, and which includes a \$250.00 application fee, and a \$700.00 Lease processing charge for each Well authorized hereunder. Failure to pay the Base Rent for a period of one month from the date such rent is due, and upon expiration of a written notice from Lessor to Lessee requiring performance within thirty (30) days of the written notice, shall constitute a default and entitle the Lessor to terminate the Lessee's interest in the Lease and all improvements or to take other legal remedies available at law.
2. No Further Modification. There are no further modifications and amendments to the Lease. All other provisions of the Lease not herein expressly repealed, amended or altered shall remain in full force and effect as written.

This action qualifies as an exclusion to the narrative record of decision process because it does not warrant the time and expense necessary to complete a full narrative record. Therefore, this summary will constitute the record of decision.

Upon recommendation of Mr. Kurt Higgins, the Director approved the amendment of SULA 1462, with a base rental of \$7,500.00 per well for each of the two wells. The term of the lease will remain 20 years, with a five-year rental review pursuant to R850-30-400. Because the lease was issued incorrectly by the Agency, the \$400.00 amendment fee has been waived.